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Glimmer of hope for settlement in Heathrow row

BY ALAN PIKE, LABOUR STAFF

A glimmer of hope that it might be possible to reach a peace formula in the British Airways engineering workers' dispute in time to salvage many Easter holiday flights began to emerge from long negotiations late last night.

After seven hours, discussions at a meeting of the National Joint Council for Air Transport, in which British Airways management and all the industry's unions are represented, were still in progress. It appeared that following a difficult start the talks were beginning to make a little headway.

The Amalgamated Union of Engineering Workers shop stewards, who are leading the unofficial dispute though not officially members of the NJC were being consulted as the talks progressed.

They say that British Airways withdrew dismissal notices which it proposed to send to employees who disregarded an instruction to return to normal working on Tuesday.

This should not present impossible difficulties, but there still has to be resolved the shop stewards' demand that their claim for higher shift pay be negotiated outside the official machinery.

Representatives of other unions on the NJC continued to insist that the AUEW engineering workers could not be granted separate bargaining rights in this way.

The Heathrow dispute became potentially more explosive yesterday when leaders of the

British Airways management's announcement that it would dismiss the 4,000 Heathrow engineers unless they returned to normal working.

Intervention by the toolmakers in the British Airways dispute illustrates the extremely unstable situation among skilled members of the Amalgamated Union of Engineering Workers, over which the union's leaders are trying anxiously to maintain control.

After yesterday's toolmakers' committee meeting, their leader, Mr. Roy Fraser, read a statement deploring the attitude of the AUEW executive in "standing back and not mobilising the whole of the AUEW" against the

Flights cancelled again

For the fifth day running, British Airways has cancelled all its short-haul U.K. domestic and European international flights from Heathrow although it hopes to put on about 20 or so of its 24 planned long-haul intercontinental flights.

The airline is still trying to rebook stranded passengers on to the scheduled aircraft of other short-haul international airlines, but is finding this increasingly difficult as their flights become fully booked with the start of the summer season on top of the Easter holiday.

Intending passengers are advised to telephone 01-759 4848 for information on all short-haul flights, or 01-759 2525 for long-haul flights.

Hint of mini-Budget in summer or autumn

BY ADRIAN HAMILTON

MR. DENIS HEALEY, Chancellor of the Exchequer, yesterday gave industrialists and union leaders a clear hint that a further mini-Budget to boost demand could be on the cards for summer or autumn.

Discussing the Budget at the monthly meeting of the National Economic Development Council, he suggested that - provided favourable trends continued - he would consider giving "greater stimulus to the economy".

He also indicated his determination to keep the exchange rate as stable as possible over the coming months during discussion of a NEDO paper implying that deliberate intervention to force down rates had only limited impact on export competitiveness.

Reporting on the economic situation, Mr. Healey said he was still anxious to see how the Public Sector Borrowing Requirement and the pay tax went over the next few months. He also wished to get a clearer picture of the balance of payments, which had been swinging back and forth recently.

But he left his listeners with the clear impression that further reflationary action was a distinct possibility and that - while he gave no clue as to exact timing - the Government would increase its mind in two or three months.

His hint reflects a growing mood of cautious optimism in the Treasury about the balance

of payments and public expenditure. Officials are thought to be particularly confident about the extent of public expenditure restraint introduced by cash limits. There is a strong feeling that this should ensure that the White Paper targets of February are underachieved.

The falling interest rates should also reduce expenditure so that the PSBR target laid down by the IMF might still leave room for further action either to cut taxes or increase spending.

The main worries still concern the balance of payments - although the move towards surplus seems to be more rapid at the moment than expected - and Phase Three negotiations and their impact on sterling.

Provided these developments favourably affect the choice of timing would seem to be just for an income tax cut and October for action limited to using the regulator on indirect taxes or raising spending.

Ideally, the Chancellor would prefer to act on income tax rather than indirect taxes, although the pressures for a rise in spending could prove strong.

The timing and extent of the Government's move will also be influenced by the prospects of an Autumn election.

Another factor pushing the Government into consideration

of further action is the continuing worries of the unions about the slow pace of recovery and high unemployment.

While yesterday's NEDC meeting was described afterwards as "routine", union leaders are thought to have stressed again their concern on this score and the changed character of the emergency problems is only now becoming fully understood.

During the post-war period policies have concentrated on encouraging the export of inner city populations and on large-scale comprehensive redevelopment to provide new homes. But too little attention has been paid to the economic health and to the community interests of the inner areas.

Editorial Comment Page 16 Parliament Page 14

Problems

He proposed that urban areas with serious problems receive extended powers to attract industry, designate industrial improvement areas, lead to the important factor in curbing "a massive and disproportionate loss of jobs and a major exodus of population."

He forecast changes later in the year in both industrial Development Certificate and Office Development Permit policy.

While previous Governments of both parties have paid increasing attention to urban problems, the extent and the changed character of the emergency problems is only now becoming fully understood.

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U.K. and U.S. in protest on Namibia

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BRITAIN, the U.S. and three other key Western members of the UN Security Council will tell South Africa today that they do not accept its policies aimed at independence for Namibia (South West Africa).

In an unprecedented display of unity on the issue, the Ambassadors of Britain, the U.S., France, Germany and Canada are to have a joint interview with Mr. John Vorster, the South African Prime Minister, in Cape Town this afternoon.

On the instructions of their Governments, they will tell him that the independence constitution for Namibia, drawn up over the last 18 months by the Turnhalle conference, has no chance of gaining Western let alone world acceptance.

The constitution, which is due to be given legal status by the South African parliament next month, would install a Government chosen on an ethnic basis with no provision for the contest of elections by political parties.

The Ambassadors will tell Mr. Vorster whose Government controls Namibia in contravention of United Nations resolutions, that the UN and the Organisation of African Unity are united in their opposition to the proposed constitution.

Mr. Vorster would not say where cuts in other Government expenditure would fall to find the £95m. A White Paper on inner city policy was being prepared.

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Editorial Comment Page 16 Parliament Page 14



The protest also has a wider significance. It is understood that in the Note to be delivered to-day by all five ambassadors to South Africa has been employed.

The concluding paragraph of the Note is believed to contain a veiled threat that if South Africa does not make the necessary changes in policy on Namibia the five states may be forced to reconsider their use of the veto in forthcoming UN debates on Namibia, thus opening up the possibility of allowing African demands for sanctions against the territory.

Clearly, the Western hope is that South Africa will heed this warning salvo. If it does not, the west may find itself confronted with a serious dilemma.

Though U.S. policy towards South Africa is far from clear, key people within the Carter Administration favour a much tougher policy towards South Africa.

Young backs sanctions Page 5

NEWS SUMMARY

GENERAL

Action to bar soccer louts

Mr. Denis Howell, Minister of Sport, has announced a new clampdown on soccer hooliganism. All future Manchester United away matches are to be ticket-only occasions and out-of-town supporters' clubs are to be discouraged.

Naples Socialist leader kidnapped

Police set up roadblocks over a wide area after Sig. Guido de Martino, 34, the Naples branch secretary of the Socialists, was kidnapped. The extreme Left-wing Primitivo arrested Nardelli claimed responsibility for the seizure in a phone call to a Rome Communist newspaper.

Mentmore 'lost'

Last-minute efforts to save Mentmore Towers for the nation appear to have failed. A collection will be auctioned at Sotheby's from May 18. Catalogues will be posted to-day.

Soldiers in court

Twelve soldiers and two ex-soldiers, all attached to a bomb squad last year, will appear in a Belfast court to-day on charges alleging theft, property, an Ulster Defence Regiment corporal, shot dead outside his home in the Glenside district of Londonderry, was married with five children.

Health factor

The health of Mr. Leonid Brezhnev, the 70-year-old Soviet party leader, may have been a factor hindering progress in the recent abortive talks in Moscow on strategic arms limitation. Senior members of the U.S. delegation were struck by what seemed a deterioration in his physical condition.

Cricket victory

The Appeal Court lifted a High Court ban on a village cricket club from hitting boundaries into a neighbouring garden. Lord Denning, Master of the Rolls, said he was surprised that a housing estate was allowed so close to the cricket club ground at Burnupfield, Durham.

Record go-ahead

he Beatles lost their High Court bid to ban the release of a twin record album based on "informal" unrehearsed Hamburg tapes made in 1961, before they became big names. A temporary ban was refused in the appeal Court.

riely . . .

King Khaled of Saudi Arabia has bought Kenstead Hall, Bishop's Cleeve, Hampshire, the home of shipping millionaire Mr. Ravi. Jikho for about £3m. Page 11.

Iranian guerrillas claim to have taken an important Ethiopian town 25 kilometres from the Eritrean border. Page 6.

Fire destroyed more than 6,000 appliances at the main stores of South Wales Electricity in Cardiff. Damage was estimated at over £500,000.

Lord Chelmer is to resign as treasurer of the Conservative Party on April 14 at his own request.

Two men charged with forged documents offences will appear in court to-day, police said.

BUSINESS

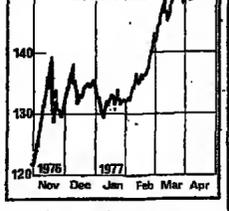
Equities drift; Wall St. new low

EQUITIES drifted downwards in quiet trading. The FT 30-share index fell 2.0 to 400.5 while the All-Share was 0.1 per cent lower at 168.94.

GILTS were firm as a few buyers returned to an oversold market. The Government Securities index rose to 69.71, recovering 0.33 of the previous three-day 1.58 loss.

STERLING fell 6 points to \$1.7193; its weighted index was unchanged at 61.8. The dollar's weighted depreciation widened to 0.94 (0.89) per cent.

Nov Dec Jan Feb Mar Apr



GOLD rose \$1 to \$185 1/2 ahead of the IMF action.

WALL STREET closed 1.41 down at 914.73, a new low for the year.

MINIMUM Lending Rate reduction from the prevailing 9 1/2 per cent to 9 per cent, though the Bank of England indicated that it would not welcome a sharp fall in rates.

Morris contest won by Davy

DAVY INTERNATIONAL has stepped in with a conclusive £9.3m. take-over bid for Herbert Morris, the Longborough crane manufacturer. The Davy bid has topped 50 per cent.

CAR imports into the U.K. in March took 45.6 per cent of the shares for one year. The new car sales in the U.S. jumped 14 per cent last month. Page 5.

HOUSING starts in February fell to nearly the lowest level for more than 18 months, at 14,700 compared with 25,200 a year earlier. Page 11.

FRENCH Government announced it would ask Parliament to postpone the introduction of capital gains tax on stocks and shares for one year. The Paris bourse rose. Page 4.

JAPANESE capital investment by industry will increase only 1.3 per cent in fiscal 1977 compared with an estimated 13.5 per cent in 1976, according to the Long Term Credit Bank. Mr. Robert Strauss, the new U.S. Special Trade Negotiator, arrived in Tokyo for trade talks concentrating on Japan's colour TV exports. Page 6.

GUARDIAN ROYAL pre-tax profit rose in 1976 to £51.1m. (£49.6m.). San Alliance rose to £37.94m. (£35.58m.). Phoenix Assurance rose to a record £24.5m. (£18.2m.). Page 19 and Lex.

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W.H. SMITH pre-tax profit for the year to January 29 rose to £15.63m. (£11.25m.). Page 18.

TAYLOR WOODROW pre-tax profit for 1976 was up at £21m. (£14.77m.). Page 18.

COMPANIES

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one new share at 265p for every five now held. The issue has been underwritten by Morgan Grenfell and N. M. Rothschild and Sons; the brokers are Rowe and Pitman, Hurst Brown, and Smith Keen Cutler.

The rights issue is the third biggest ever made by a British company, ranking in size only after those of Imperial Chemical Industries, which last year raised about £200m, and British Petroleum, which made an issue in 1971 totalling £123m.

The cash-raising operation, which has enabled GKN to forecast a 25 per cent increase in 1977 dividend, was announced as the company disclosed that its pre-tax profits had risen in 1976 by £28.1m. to a record £97.8m.

The shares last night closed 7 1/2p down at 312p, having ranged this year between 279p and 342p. Shareholders are being offered

made with an eye to keeping share capital appropriately in line with borrowing against a background of expanding activities.

The group is seeking to take over a near-75 per cent stake in the West German motor component manufacturer Fichtel and Sachs, and has already bought 24.95 per cent of it. Acquisition of the additional 50.01 per cent is dependent on the outcome of an appeal to the West German Federal Supreme Court by the Federal Cartel Office. Mr. Gustie said GKN was confident of the outcome of the case.

The deal, if it goes through, will have cost GKN £233m.

GKN launches £67m. rights issue for capital spending

BY MARGARET REID

GUEST KEEN and Nettiefields, Britain's largest engineering group, yesterday launched a £67m. rights issue which will help to finance capital spending planned to expand to £95m. this year, compared with £67m. in 1976.

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Now, London to Cape Town non-stop. Saturdays at 20.15, is SAA's flight to Cape Town.

South African Airways Where no one's a stranger

Table with columns for RISES and FALLS, listing various stocks and their price changes.

Financial Times will NOT be published on Good Friday, April 8, or on Easter Monday, April 11. It will be published on Saturday, April 9, as usual.

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Boston opera

Glinka's 'Russlan'

by ANDREW PORTER

Glinka's Russlan and Liza... in 1842 and in St. Petersburg in 1843...

Eunice Alberts was a likeable Ratmir, and she moved with grace through the mazes of Ben Stevenson's Persian dances...



Mikhail Baryshnikov and Lesley Collier. They appeared last night as Colas and Lize in La Fille Mal Gardée at Covent Garden.

Sadler's Wells

Night Watch

by CLEMENT CRISP

London Contemporary Dance Theatre opened its spring season at the Wells on Tuesday with an impressive account of Robert Coban's No-man Land.

and Robert North — followed by solos for each and a closing coda, and its theme is the shifting relationship between the couple.

Book Reviews are on Page 27

Cottesloe

Strawberry Fields

by B. A. YOUNG

Charlotte and Kevin meet in isolation of the characters. Each of them is well drawn and well played. As Charlotte, a coal...

Mr. Poliakov is peculiarly at home in the world of the cheap snack-bar, and he gives us several scenes of this kind with amusing subsidiary parts...

But there is not enough action between the three of them. Each has his or her share of good neo-Oshornesque speeches, but in spite of situations that involve them in pairs...

Imperial Tobacco

Glyndebourne

A new production of Mozart's Die Zauberflöte, made possible by Imperial Tobacco Limited, is to be given in the 1978 Glyndebourne Festival.

The Glyndebourne Festival is unique in Europe in operating without State subsidy.

Record Review

Concertos for everyone

by MAX LOPPERT

Brahms: Piano concerto no. 2 in B flat. Cecile Ousset/Leipzig Gewandhaus Orchestra/Masur. Decca Aca of Diamonds SDD-R (23.50).

Karl Böhm—a luxury product, spreading a comparatively short concerto over two sides with regal disdain for bare financial considerations—poses a problem of idiom much more troublesome than Miss Ousset's Brahms.

yet been persuaded into taking up the Elgar concertos. The language is learned only with dimly perceived perseverance, perhaps a lack of variety and imagination in Acard's Philips gives the finale complete, without the usual 'performing version' cuts as heard in the Milstein recording.



Joseph Evans as the Fool, before the drop curtain

Festival Hall

Jesus Lopez-Cobos

by MAX LOPPERT

The Spanish conductor, Jesus Lopez-Cobos led the Royal Philharmonic Orchestra in Tuesday's baroque concert of the greatly enjoyable concert of the former David's.

Mr. Lopez-Cobos followed this with a grandly scaled account of the Fifth Symphony, whose peroration splendour, to which the whole remarkable, unexpected construction has been leading—is now safe, one hopes, from the charges of banality by the anti-Sibelians.

King's Head

Commedia

by MICHAEL COVENEY

The London Mime Ensemble and his partner find them a semi-professional troupe under the direction of Robin Farquhar involved with a bohemian, Barbary which visited the Edinburgh Fringe last year after a fortnight of luminous performances at this address is bound northwards again for this year's Festival.

After a winsome duel is fought, the actors take a bow and then recreate a 'real' situation in which Zany discovers Scapino's name on the shoulder of Lidia. Scapino is upset about the performance of his company in the commedia (as well he might be) but he is obviously encroaching on Zany's sexual territory. Battle is joined and the males each suffer a mortal wound.

Cécile Ousset

The recent recognition of Cécile Ousset's remarkable qualities as a performer is supported by a strong and striking performance of the Brahms second piano concerto. It is not a 'central' Brahms, not the new desert island disc of this much-recorded work; for by the side of Serkin's profundity, Arrau's bass-grounded splendour, or the grand restraint of a Gilels, there is something of bronze and gunmetal glinting at the heart of her commanding technique.

The second concerto fares far better; and, in both, there are episodes of startling clarity and precision of aim, of tensile strength and unmanipulated eloquence. Nevertheless, for the true flavour of these difficult works—extraordinary how few are the performances that evoke to the full the ambiguities, the contradictory attractions of a half-Francoise, half-priest—one must look elsewhere, notably to the old Richter versions. After more than 15 years, these remain unchallenged for their combination of elegance, firmness, reserve, and demon wit.

As one not born to native familiarity with Elgar, who still finds his admiration for the composer spotted with doubts, I can well understand why, with familiar exceptions, to-day's international virtuosos have not

Advertisement for Gulf Air FiveStar TriStar. It features the headline 'It's only natural... that you want the most convenient timetable when flying to the Gulf'. Below this is a detailed flight schedule table with columns for flight number, departure, arrival, and other details. The table lists flights for Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, and Sunday. At the bottom, it says 'the most luxurious airliner the world has ever known' and 'Gulf Air FiveStar TriStar'.

EUROPEAN NEWS

ECONOMIC COMMISSION FOR EUROPE REPORT

Unemployment expected to worsen

BY DAVID EGLI

GENEVA, April 6

WITH A modest growth of about 3 per cent in gross domestic product forecast for Western Europe this year, unemployment may top the previous highest post-war levels, according to the latest survey of the Economic Commission for Europe (ECE). It expects the already unsatisfactory rate of growth to remain unchanged or even slow down this year with an inevitable impact on jobs.

The survey says Western Europe's recovery lost its momentum in the second half of 1976, and there is little sign of a sustained upswing in the immediate future. It believes the failure of economic policies to address the situation has created uncertainty about short-term prospects and the ability of Governments to get recovery going again without renewed inflation.

The ECE suggests, however, that it may be possible to attain lower rates of unemployment compatible with low rates of inflation by greater use of selective economic policies, including various types of labour market policy and fiscal devices.

Policy makers, however, seem to have shifted their priorities in favour of price stability, and in present conditions a sustained upswing of the kind that has occurred regularly since the early 1970s is thought unlikely in the 1970s. Despite efforts to bring inflation under control, the ECE evaluates the potential average increase in West European consumer prices this year at about 9 per cent, compared with 10.5 per cent last year. But prospects of narrowing the gap between the high inflation group of countries and those with low inflation are better than for some time.

Portuguese application welcomed

BRUSSELS, April 6. THE PORTUGUESE application to join the European Community was formally welcomed by EEC Foreign Ministers in Luxembourg last night. In accordance with usual procedures, the Brussels Commission was instructed to draw up a detailed opinion on the application, setting out the consequences of membership for both the EEC and Portugal. This is not expected to be completed before January of February of next year.

EEC Commission spending rise

BY DAVID BUCHAN

BRUSSELS, April 6

THE EEC Commission has presented its first supplementary budget of the year of 531m. units of account (€221m.) to the Council of Ministers. The increase, which amounts to 8 per cent of the 8.8bn. units of account (u.a.) originally set as the 1977 budget, almost all goes to meet extra costs in running the agricultural monetary system and follows a decision by the Council of Ministers in Luxembourg that EEC spending must be kept under tighter control.

Pointing out that this supplementary request is based on its own proposals for modest increases in farm prices this year coupled with devaluations of certain "green currencies," the Commission warns that further budget increases will be needed if Agriculture Ministers settle on higher prices.

The Commission also today announced first payments for last year under the Stabex system, which aims to compensate the African, Caribbean and Pacific (ACP) members of the Lome convention for falls in earnings on certain primary product exports to the EEC. The payments which are in nine African and Pacific countries and on eight individual products, amount to 24m. u.a. of which 77 per cent is grant aid and the rest loans. Next week, there is to be a joint ACP-EEC Ministerial Council in Fiji to discuss, among other things, widening the Stabex scheme to cover more products.

Ireland to enforce new limits on fishing

By Robin Reeves

BRUSSELS, April 6. THE IRISH Government's long-delayed plan to ban all fishing vessels over 110 feet or more than 1,100 bhp from waters up to 50-100 miles off the Irish coast will go into effect next Sunday.

French unionists prepare for joint challenge to Government

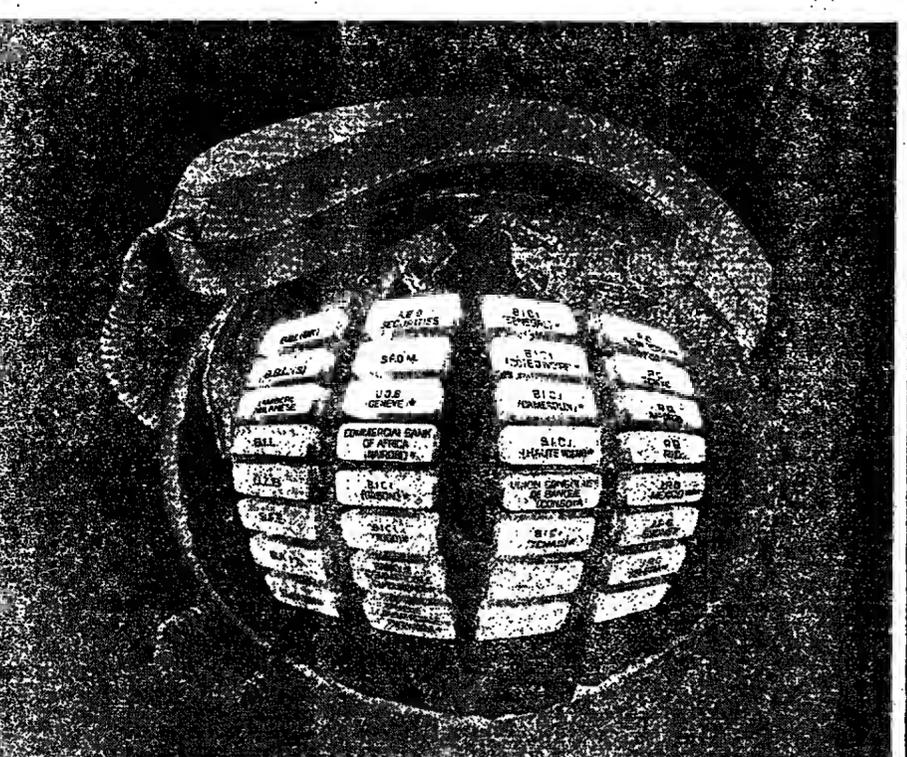
BY DAVID CURRY

PARIS, April 6

FRANCE'S TROUBLED industrial relations scene became even more disturbed to-day with the failure of talks to settle the month-old dockers' strike which has paralysed the port of Dunkirk, France's third largest.

It now seems likely that the Communist-led CGT will call a new one-day strike among its 18,000 dockers members. There have already been two 24-hour national strikes.

The Left-wing CFDT union organisation has already announced a programme of protests in the steel industry. For the next 10 days there will be scattered two-hour long stoppages while members are "informed" about the state of discussions on the steel plan. These will be followed in the second half of this month, and in May, by four-hour walk-outs.



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Steel measures finalised

By Our Own Correspondent

BRUSSELS, April 6

FURTHER PRECISION was admitted that they had no alternative to propose. For the proposed minimum reference prices, which are voluntary, on other steel products, Mr. Braun said the Commission would set these "realistically."

Capital gains tax delay sought

BY ROBERT MAUTHNER

PARIS, April 6

THE FRENCH Government today announced that it would ask the National Assembly to postpone the introduction of a controversial capital gains tax on the creation of new jobs.

The Paris Bourse, which has always been strongly opposed to the measure, immediately reacted favourably to the news. The stock exchange index, based on 36 leading shares, closed 4.85 points higher than yesterday.

Another reason for the Government's decision could well be its desire to patch up its quarrel with the Gaullists, who bitterly opposed the measure in the original form. The state's intention to cut the amount of tax on the introduction of a capital gains tax on stocks and shares was, therefore, not opportune.

Snags occur in F-16 development

By David Bell

WASHINGTON, April 6. THE F-16 jet fighter has been the subject of European countries as well as the U.S. Air Force is encountering problems during its development, one of which is the difficulty of reconciling the needs of the five main users.

Italian decision clears way for IMF loan

BY DOMINICK J. COYLE

ROME, April 6

THE ITALIAN Chamber of Deputies today approved the Andreotti Government's amended economic package, including compromise provisions to hold down the way for Italy to conclude formally its negotiations for a \$350m. loan from the International Monetary Fund (IMF).

The Government, in the face of still trade union opposition, the unions say that in terms of the agreed package, and the IMF has not yet indicated publicly that the modifications are acceptable.

The Government expects formal approval of the IMF loan package to be received in three tranches over about 18 months, to be followed quickly by a further \$500m. loan from the EEC. This, however, would not be a new loan, merely re-structuring of an earlier loan package.

Economic reform pressure grows in Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

PRESSURE IS growing for more liberal solutions to Poland's economic problems. Recent newspaper articles and a Government resolution last month all point to a revival of some of the principles of economic reform introduced in a limited scale in 1973, but greatly toned down during the difficult period that followed.

not involve the Planning Commission, which normally sets such percentages and strives to keep wages down. The Ministries which come under the modified scheme are Machine, Chemical, Heavy and Agricultural Machinery and Light Industry. Others, such as Internal Trade which were in the earlier scheme and dropped out, can apply to join later.

higher, but modernisation work can be decided by the companies themselves. The plan is to spend a percentage of export earnings from hard currency systems of tasks, and that companies should be judged by how well they carry them out. The Central School of Planning and Statistics argues that plans to spend a percentage of export earnings to hard currency systems of tasks, and that companies should be judged by how well they carry them out.

Although Prof. Mine says the ideas are being circulated in the Soviet Union as well, his ideas are plainly highly controversial or else they would have appeared in a less obscure publication.

Handwritten text in Arabic script: "ماذا من الاصل"

for nment

PARIS, April 6

Banque Nationale which dates from the base. Because the court of appeal in the centre of the city have called the meeting to be held in the Paris security meeting there.

As workers in the utility staged a general strike. Some railways were also disrupted.

sought

PARIS, April 6

decision could be taken to pick up the Gaullists, who are the measure. Mr. Jacques Chirac, Prime Minister, made no secret of his view that the limits of the end of close relations with Giscard, which he up when the time in August last year developed into a rift.

IMF loan

ROME, April 6

tariffs and "savings" through a lower threshold for proposals on the financial scheme. The amount of the IMF loan is expected to be followed by a new loan, part of an earlier loan paid in December at a department of short-term committee.

kidnapping

ROME, April 6

by giving in to the demands. The abduction of the bank's account of the order the police were ordered that at least 100 million ransom money should be paid over the

ordered

ATHENS, April 6

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Polat

ATHENS, April 6

when an army of commandos that Poland's industrial and economic growth.

AMERICAN NEWS

Carter accused by labour of failure to keep promises

By Stewart Fleming

NEW YORK, April 6

BY WHAT is seen as an extraordinary attack on a new Democratic President, the leadership of the American Federation of Labour and Congress of Industrial Organizations (AFL-CIO) has accused President Jimmy Carter of failing to keep his promises to the working people.

more protectionist policy towards imports of shoes and a feeling that the President's commitment to reducing unemployment is not as strong as labour leaders judge it to be during the presidential election campaign.

Labour leaders privately complain about the unexpected fiscal conservatism of the new administration, and particularly of some of President Carter's closest advisers, including Mr. Bert Lance, head of the Office of Management and the Budget.

World Bank loans, rights link opposed

By Our Own Correspondent

WASHINGTON, April 6

THE CARTER Administration is fighting hard to-day to defeat a proposal by several members of the House of Representatives which would order the U.S. delegate to the World Bank to vote against loan applications from countries that do not give their citizens "internationally recognised human rights."

U.S. anti-boycott bills emerge from committee

By Our Own Correspondent

WASHINGTON, April 6

BOTH HOUSES of Congress are expected to consider later this month the two anti-boycott bills that have now emerged from committee after long and sometimes heated discussion and numerous amendments.

Total new car sales up by 14% in March

By Jay Palmer

NEW YORK, April 6

BOOSTED BY a series of sales contests and special promotions, total new car sales in the U.S. jumped by 14 per cent. during March to a level equivalent to an all-time record annual sales rate of 12.1m. units after adjusting for seasonal variations.

Bobby Sirhan 'acted alone'

LOS ANGELES, April 6

THE 22-month probe into the assassination of U.S. Senator Robert Kennedy has concluded that Sirhan Sirhan, the convicted killer, acted alone.

Justified

Special counsel Thomas F. Kranz, who conducted the investigation, said: "I believe that the findings of both the trial and appellate court that Sirhan Sirhan is guilty are completely justified."

David Bell, in Washington, describes . . .

The reviving doubts

IT HAS BEEN a good week for the small army of experts who are still convinced that the killer of President John Kennedy did not act alone in Dallas more than 16 years ago.

was a conspiracy to kill Kennedy. Investigators from the committee were seeking to interview Mr. de Mohrenschildt when he was found dead, apparently having shot himself through the mouth.

Ever since Lee Harvey Oswald was accused of the President's murder, and particularly after Oswald was himself shot in a Dallas police station, had befriended Mr. de Mohrenschildt over a long period. Eventually, he said Mr. de Mohrenschildt had implicated himself in a conspiracy along with Oswald, some anti-Castro Cubans, a Mr. Lester Logue and Mr. H. L. Hunt, a Texas oil millionaire who died in November, 1974.

Last Friday Mr. Oltmans testified before the committee that he was writing a book about the assassination, and that he had been in Dallas on the day when the President was shot. It was, on the surface, a very curious friendship. Mr. de Mohrenschildt was a college professor who boasted of once having worked "in intelligence". Oswald was a high school drop out. De Mohrenschildt's lawyer said on Saturday that Oswald looked on his client as a "father figure," who had taken pity on Oswald and his lonely Russian wife.

There have been intermittent suggestions that de Mohrenschildt may have worked for the CIA at some time, and there have been similar suspicions, none ever substantiated, that Oswald may have done the same. No one, however, has suggested that the CIA was involved in killing Kennedy. Mr. de Mohrenschildt's lawyer did say last week-end that he client had convinced him that there was a conspiracy of some kind. Mr. Oltmans, the Dutch journalist, also claims that Mr. de Mohrenschildt told him in Holland that he was "responsible" for the assassination. Mr. Oltmans quoted him as saying: "How do you think the media would react if I came out and said I felt responsible for Oswald's behaviour?"

Genuine

Meanwhile, Mr. Penn Jones, a retired newspaper editor who has devoted much energy to studying the assassination, is armed during the week-end with the photo-copy of a letter purporting to have been written by Oswald to a Mr. Hunt two weeks before the assassination.

All this has been more than enough to revive interest in the assassination once more. Last year, when a member of the Mafia was brutally murdered after testifying in Congress about a possible Cuban connection with the assassination, Senator Richard Schweiker expressed himself bemused by the mass of evidence, but said that "the only thing I am certain of is that we do not know the truth of it."

The letter reads: "Dear Mr. Hunt, I would like information concerning my position. I am asking only for information, I am suggesting that we discuss the matter more fully before any steps are taken by me or anyone else. Thank you, Lee Harvey Oswald."

That remains the view of many people in the U.S. who are not given to believing conspiracy theories or to taking seriously the myriad explanations for the death of the President that have been peddled in the past 16 years. The events of the past week underline the fact that not all the lingering doubts have been quite laid to rest. Until they are it is a safe bet that the assassination will remain a subject of intense interest in the U.S.

Trudeau faces by-elections test

OTTAWA, April 6

Prime Minister Pierre Trudeau allowed independence from Canada. Earlier this year Mr. Trudeau said he regarded the by-elections as a test of public support for his ruling Liberal Party, which wants to keep Quebec as part of the Canadian Federation.

Young backs South Africa economic sanctions

By Our Foreign Staff

IN HIS most outspoken interview so far on southern Africa, Mr. Andrew Young, the U.S. Ambassador to the United Nations, has said that he believes that economic sanctions against South Africa might be "the best thing that could happen."

Meeting Place Hannover Meeting Place Nord LB

Hannover - centre of commerce and communications between East and West, North and South, at the cross roads between EEC, and EFTA, is the ideal meeting place for industry from all over the world. At the time of the Hannover Fair, directors of international corporations, international bankers and influential government officials come together in this historic European City. On this occasion, many of them pay a visit to Norddeutsche Landesbank (Nord LB) to gather financial information or to discuss business projects. As the largest bank in North Germany, with an extensive network of worldwide connections, Nord LB is also one of the Federal Republic's major credit institutions.

now, when he sees a clock, he hides

There are limits to what the human mind can stand. For Major Cassius, after years of bravery in Bomb Disposal, the limit comes each time he sees a clock. Every alarm clock is a bomb, each ticking watch a probable explosion.

DSO, MC, MM...

They've given more than they could - please give as much as you can. EX-SERVICEMEN MENTAL WELFARE SOCIETY 37 Thurloe Street, London SW7 2LL. 01-584 8688

CORRECTION NOTICE SANDVIK AKTIEBOLAG

9 1/2% Sinking Fund Debentures Due Apr. 15 1985 First Redemption of US \$1,500,000 Bank of America S.A., Luxembourg announces that there was a printing error in the notice which appeared in the Financial Times on March 30 1977. Bond number 16178 has been called for redemption, and not 16175 as advised previously.

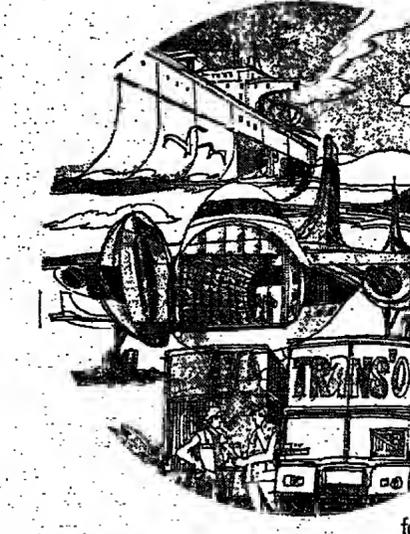
Young backs South Africa economic sanctions

Speaking on BBC Television, Mr. Young said that he would not necessarily use the U.S. veto on African demands for sanctions against South Africa at the United Nations, where the Security Council has been debating the issue for the past two weeks.

Meeting Place Hannover Meeting Place Nord LB

You will find us at Georgsplatz 1, in Hannover; at the Nord LB-Zentrum, in Braunschweig, at the service section at the Hannover-Langenhagen Airport; at the Hannover Fair in the Bankenallee, and in the Niedersachsen-Pavillon, Stahlstraße/Mannheimer Straße.

Meeting Place Hannover Meeting Place Nord LB



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OVERSEAS NEWS

Eritrean guerillas claim capture of important town

BY OUR FOREIGN STAFF

TOKYO, April 6.

SECESSIONIST guerillas in Eritrea have taken another important town in the province after three days of heavy fighting with Ethiopian troops...



The rebel group says it is now in a position to launch a final simultaneous assault on the remaining towns held by the Ethiopian army...

They had waited in an attempt to first unify their forces, but had not achieved this. The secessionist forces have made considerable gains in the last few months...

Fiji will have new elections

By Dal Hayward

WELLINGTON, April 6. FORMER FIJIAN Prime Minister Ratu Mara has won his gamble to force the Federation Party into conceding that it cannot govern with a workable majority...

Kenyan patience running out over seized vehicles

BY JOHN WORRAL

NAIROBI, April 6.

KENYAN ANGER is building up over Tanzania's continued refusal to release Kenya's aircraft and vehicles which were impounded by troops and police when the border between the two countries was closed by Tanzania last February...

Congo shuts Assembly

BRAZZAVILLE, April 6.

The new Congolese Government today dissolved the National Assembly and suspended all local administrators in the wake of Tuesday's suspension of the constitution...

Rhodesia murder dispute

BY MICHAEL HOLMAN

SALISBURY, April 5.

THE RHODESIAN Government today denied suggestions that black members of the Security Forces might have been responsible for the murder of a prominent black businessman at a mission station in the north-east of the country...

Japanese industry curbs investment

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, April 6.

CAPITAL investment by Japanese industry will increase by only 1.3 per cent in fiscal 1977 compared with an estimated 13.5 per cent gain in 1976 according to the Long Term Credit Bank...

Without electric power industry's total outlay on equipment investment would be down in 1977, the LTCB says. The percentages quoted above are calculated on the basis of the value of new equipment or...

The picture looks different again if one "deflates" the investment figures to allow for rising prices. The inflation-adjusted figure shows a modest fall in the volume of investment expected to be carried out in 1977...

Right-wing positions pounded in S. Lebanon

BEIRUT, April 6.

PALESTINIAN AND left-wing gunners today pounded the strategic town of Marjayoun near the Israeli border in an offensive permitted by Syria to right-wing positions in Southern Lebanon...

Observers here said that Salqa backing of other Palestinian guerrilla groups fighting for control of villages along the border with Israel signalled a significant change in the Syrian attitude towards parts of the Lebanese Right. Syrian troops and Salqa units supported the right in the latter stages of the 18-month Lebanese civil war...

WORLD TRADE NEWS

Japan-US trade talks to centre on TV dispute

BY DOUGLAS RAMSEY

TOKYO, April 6.

MR. ROBERT STRAUSS, the new American Special Trade Negotiator, arrived in Tokyo today for talks on trade, and specifically on Japan's colour television exports to the U.S.

Japan will press during the informal negotiations for U.S. acceptance of voluntary restraints on Japanese exports to the U.S. Japan will also press for a reduction in the U.S. tariff on colour TV sets from 25 per cent to 15 per cent in 1981, then to 10 per cent in 1982...

his action last week in overturning an earlier ITC ruling against imported footwear. Still, the Japanese industry has not yet given any specific ceiling which they would voluntarily observe in return for no unilateral U.S. controls...

Export warning on sterling

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

"Unless the pound sterling is allowed to reflect the difference in the inflation rates between Britain and our major industrial rivals, within 12 months export to the U.K. will be unprofitable and in two years it will be impossible."

though the U.K. inflation rate is allowed to reflect the difference in the inflation rates between Britain and our major industrial rivals, within 12 months export to the U.K. will be unprofitable and in two years it will be impossible.

the U.K.'s share of world trade. Only last week the short term trends working party of the mechanical engineering "Little Nobby" maintained that the appreciation of sterling since November, combined with the continuing high rate of U.K. inflation, is likely to have had an adverse effect on the industry's future price competitiveness...

EEC to study ASEAN prospects

BY DICK WILSON

BRUSSELS, April 6.

A STUDY is to be undertaken in the next few months of the prospects for industrial cooperation between the European Community and ASEAN...

Two European consortia are to fly teams to Manila next month to look into mining projects as a direct result of the Brussels conference.

Mr. S. Rajaratnam, Singapore Foreign Minister, said that South-East Asia was far less inhibited about foreign investment than other Third World countries...

Car imports change by Nigeria

By Our Own Correspondent

LAGOS, April 6.

THE Nigerian Government has given car import licences to 25 indigenous companies in a move designed to reduce the dominance of foreign-owned firms...

Volvo and Saab sales down

BY JOHN WALKER

STOCKHOLM, April 6.

BOTH Volvo and Saab have sold fewer cars in Sweden during the first three months of this year, compared with the same period in 1976...

Volvo's and Saab's combined market share has gone down from 43.2 per cent to 33.9 per cent, on a market which has steadily increased from 198,000 cars in 1976 to 312,000 cars in 1977...

Turkish Cypriots face up to reality

THE TURKISH Cypriots of Cyprus are suffering a serious payments problem as evidenced by the first official statistics to come to light since the 1974 war.

The trade deficit in 1976 grew by 170 per cent compared with the previous year to reach \$46m, and this is for a population of only 150,000. The situation is not as bleak as it may at first seem, however, since only a portion of the trade deficit is in hard currency...

Ironically enough, Turkey, which is in a position to help Cyprus, appears unwilling to do so. Ankara has refused to grant Turkish Cypriots their request for a lifting of import duties on Cypriot products which could have a booming market on the mainland...

Turkish Cypriot exports are effective obstruction by the Greek Cypriots. For instance, Ankara has refused to grant Turkish Cypriots their request for a lifting of import duties on Cypriot products...

The economic well-being of the Turkish Cypriot community is more important to a final settlement than is generally recognised. The Greeks, who dominated the Turks for many decades, are far more interested in the Turkish Cypriots than the Turks who have just started when the Turks set up their "State" two years ago...

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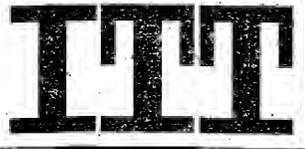
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“Why does ITT go on investing in Britain?”

The last few years have not, to put it mildly, been good ones for the British economy. And yet, in 1976 for example, ITT companies in Britain invested no less than £18 billion in new plant and machinery. Plus another £15 million on research and development. Which isn't to say that ITT is a philanthropic organization lending Britain a helping hand with no thought to its own financial stability or profitability. Far from it.

ITT has always prided itself on being profitable, and intends to remain so. And its investment programme in Britain has always been planned on that basis. The results:- in the past, healthy profits year after year, even during the recent recession. And for the future, the renewed conviction that, given the right resources and backing, British industry can match the world for efficiency. And profitability.



ITT companies in Britain include: Abbey Assurance, Ashe Laboratories, Excess Insurance, ITT Consumer Products, Rimmel, Sheraton, Standard Telephones and Cables and Standard Telecommunication Laboratories. For further information, including the latest edition of a 20-page publication "Facts about ITT in Europe," please write to 190 Strand, London WC2R 1DU.

HOME NEWS

Sir Derek predicts exciting future for Scottish coal

BY OUR GLASGOW CORRESPONDENT

A CALL FOR an urgent transformation in productivity by Scottish miners came yesterday from Sir Derek Ezra, National Coal Board chairman. Sir Derek, speaking during a visit to Seaford Colliery in Fife, disclosed that output from the Scottish coalfields fell last year by 630,000 tons to 8.96m. tons, a drop of 6.6 per cent, which was higher than the national output decline. Productivity at 38.6 cwt. a man-shift also fell by 2 per cent, although this was less than the national drop. Predicting an exciting future for Scottish coal, in spite of the "disappointing" results, Sir Derek said that there must be productivity increases if the present losses on Scottish deep mining operations were to be turned into profits by 2 per cent.

Subsidy

"An urgent transformation is needed and is attainable. Management and unions are working closely together to reverse this downward trend." Referring to the Government's recent announcement of a grant of £7m. to subsidise the cost of the South of Scotland Electricity Board during the next five years, Sir Derek said that he was confident this would soon result in a five-year supply contract with the Board. The grant had given the Coal Board confidence to continue its exploration programme in the Scotland, involving deep drilling and seismic surveys in the Musselburgh area—where a field of 50m. tons has been discovered—and to the west of the existing Longmear field, which is the largest in Britain. He hoped that the next pay policy would give the industry the flexibility it needed to allow

the introduction of an effective incentive scheme and to correct pay differentials. Kevin Done writes: The quality of the U.K.'s expertise in nuclear power technology is probably unsurpassed, but its application to the coal industry has been minimal, according to Mr. Leslie Grainger, the National Coal Board's member for science. Writing in the Coal Board's Coal and Energy Quarterly, he says that the confusion about the scale of the thermal reactor programme and choice of reactor type has strengthened the case for reflection before plunging into the era of fast commercial reactors constructed in series. Mr. Grainger argues against the assumption that it would be cheaper and more effective for Britain to proceed through international co-operation rather than going it alone, on nuclear development. Some potential partners might want to move faster than Britain and the costs of a purely domestic programme could be misleading.

Writing in the same publication, Mr. Len Murray, general secretary of the TUC, says that an energy commission is essential to the long-term planning of an integrated energy policy, and the unionist had to be fully involved in its decision-making. "The depletion of North Sea oil and gas reserves should be regulated—both to conserve this valuable resource and to avoid creating havoc. In the investment programme and manpower programmes of the other energy industries." As well as having majority holdings in the North Sea oil fields, the British National Oil Corporation should be active in refining, distribution, and petrochemicals, and public ownership of all platform construction sites should be advantageous. Mr. Murray argues.



Young Liberals chief Peter Hain (left) urges Mr. Anthony Tuke, Barclays Bank chairman, during the annual meeting, to end the bank's South African investments.

Price policy 'a blow at confidence' - CBI chief

Financial Times Reporter

THE GOVERNMENT'S price proposals were criticised by Mr. John Methven, director-general of the Confederation of British Industry, making his first considered comments on the Budget in addressing the Political and Economic Circle at the National Liberal Club. Mr. Methven described the proposals as "yet another example of big brother-style government which thinks it always knows best." The CBI accepted the case for some control, he said, but he objected to the fact that a major part of the new controls would be permanent and to the powers of investigation the new Price Commission would have. "The new proposals, particularly in relation to the general investigations, will cause great uncertainty in industry. They are discretionary, and industry will not know where it stands. Business confidence can only be damaged, which will be bad for investment and bad for jobs. And, regardless of any so-called safeguard clauses which might appear, I need a lot of convincing that the proposals would remain free of political abuse by Government seeking to act on the prices of everyday goods and services for short-term political reasons. While the Budget was on the right lines, very much more was needed to increase incentives, said Mr. Methven.

Shareholders rap Barclays role in South Africa

BY MICHAEL BLANDEN

BARCLAYS BANK again came under fire for its involvement in South Africa at its annual general meeting in London yesterday as Mr. Anthony Tuke faced the regular barrage of questions from shareholders. The critics included Mr. Peter Hain, the Young Liberal leader, who maintained that Barclays was seen as a "leper of the international financial community." Other critics were two U.K. local authorities and a number of church groups. The attack has been led by the Anti-Apartheid Movement, End Loans to South Africa and the Haslemere Group. Mr. Tuke said, in answer to questions that he had suggested to the directors of the South African subsidiary that it should sell the controversial recent £5.6m. investment in South African defence bonds. But he stressed that the decision would be made in South Africa. The arguments centred mainly on this point as well as the general issue of the bank's operations in South Africa and its plans to set up a separate subsidiary for its branches in South West Africa (Namibia). The bank has recently met representatives of the South West Africa People's Organisation in London on this issue. Mr. Tuke opened the meeting with a statement covering both the recent moves to boycott the bank by Arab countries, and the defence bond investment. On the boycott, he stressed that the bank was neither pro-Arab nor pro-Jew. "We are merely anti-boycott." It was not for the bank to take sides in political disputes. The boycott would raise some administrative inconvenience and perhaps some loss of customers. Discussing the bonds, he said such investment decisions were made by the local Board, though he acknowledged that it had been handled in an "insensitive" way. However, the investment made no direct impact on the ability of the South African Government to buy arms. Answering questions, Mr. Tuke said the bonds had to be held for a minimum of a year. He continued to disagree with the more general arguments put forward for the bank to withdraw altogether from South Africa. Mr. Peter Ripley, of Derbyshire County Council, asked about the transfer of funds from its South African subsidiary to Rhodesia. Mr. Tuke replied that he was not aware of this happening but would check if any examples were raised.

Post Office plan to double promotion spending

By Christopher Lorenz, Electronics Correspondent

THE POST OFFICE is planning to double its telecommunications promotion spending to £7.2m in the current financial year in a bid to increase demand for all types of products and services. The Post Office and its private sector suppliers of telecommunications equipment are also making progress in their talks about a possible joint marketing campaign. The equipment manufacturers and their unions have proposed a strategy similar to that applied in West Germany, where a joint marketing drive by the Bundespost and its suppliers is claimed to have increased demand for telephone connections to a record level. Last year the Post Office suggested a joint publicity drive, but its suppliers said that if it were to be effective any joint effort should be much broader and should not just be confined to advertising.

Surprise

This was a main part of their representations to the Department of Industry against the Post Office's recent cut of £20m. in exchange equipment ordering. They claimed that the cut would be "entirely unnecessary" if sufficiently aggressive marketing drive were mounted, since the extra consumer demand would quickly fill existing overcapacity in the Post Office's telephone exchanges. The suppliers' unions have repeatedly called for a cut in peak telephone tariffs and installation charges, as two other ways of increasing demand for their products, and of maximising the use of the Post Office's existing assets. There was some surprise when the Post Office's Engineering Union joined the call for reduced installation charges.

Discretionary

News of the proposed doubling of publicity expenditure was given yesterday by officials at a meeting earlier this week by Sir Edward Fennessy, the Post Office's deputy chairman and managing director, telecommunications. There was a widespread feeling in the telecommunications industry that the P.O.'s response to the last four months of outside pressure for better marketing, but the P.O. has appeared satisfied with its own strategy. For the second year running, it is already expecting a record number of new telephone connections this year (about 1.5m.). The Post Office is continuing to resist suggestions for a cut in peak telephone tariffs. It has countered the call from Sir Harold Wilson, an official in charge of installing charges on a national basis by pointing out that local telephone managers have discretionary powers to reduce such charges for a time as part of a promotional exercise.

Welsh agency appointment

By Michael Lafferty, City Staff

The Welsh Development Agency, which performs the functions of the National Enterprise Board in Wales, has appointed Mr. John Collins as head of its Small Business Unit. Mr. Collins has been assistant secretary of the Welsh Confederation of British Industry. The Small Business Unit is intended to provide advice and financial assistance and to carry out research into the needs of small concerns.

Sinn Fein decides against large rallies at Easter

BY GILES MERRITT

THE POLITICAL wing of the Provisional Irish Republican movement has said in Dublin that it may organise mass public rallies in support of the hunger strike by 20 Provisional IRA prisoners. The hunger strike, now in its second month, has reached a "critical stage," but there would be no large demonstration in Dublin over Easter, said Mr. Rory O'Brady, president of the Provisional Sinn Fein, the political wing. Fourteen of the hunger-strikers at Portlaoise top-security prison are in hospital. Officials in the Irish Government have made it plain that they feared an upsurge of extremists' Republican demonstrations over Easter, accompanied by clashes with the police. Easter is a traditional rallying time for the Provisional Sinn Fein, and this year would have coincided with growing concern over the fate of the IRA hunger strikers. The Irish Government and the Provisionals appear set for a confrontation over the hunger strikers and the Irish authorities demand that the authorities accept a eight-point list of demands, chiefly concerned with conditions inside Portlaoise, while Mr. Patrick Cooney, Justice Minister, has said that he will make no deals with them. Provisional Sinn Fein organised a demonstration on Sunday by 1,500 supporters out-

side Portlaoise, and it resulted in police baton charges in which 50 demonstrators and 10 policemen were injured. Its decision to delay further rallies until after Easter is being interpreted as a tactic of timing. There is already concern over the best-known of the IRA hunger strikers, Mr. David O'Connell, former Chief of Staff, who has in the past, had a kidney removed. Mr. O'Connell's fate is also a matter of political concern to Provisional Sinn Fein, for he faces the decision of continuing his hunger strike with the risk of costing the movement a prominent leader, or renouncing it and thus costing the movement credibility. Provisional Sinn Fein leaders said yesterday, however, that they are powerless to instruct the hunger strikers to end their action. The men have said that only the "camp O.C. (officer commanding)" inside Portlaoise can do this. The political wing is clearly eager to assume a negotiating role between the hunger strikers and the Irish authorities. Observers in Dublin, nine past hunger strikes as a guide, anticipate that the situation in Portlaoise will reach a crisis point towards the end of this month—which could well coincide with the running of Ireland's general election, if that is called for early June.

General says Army stays in Ulster

BY OUR BELFAST CORRESPONDENT

GENERAL SIR DAVID HOUSE, MP for North Down, complained yesterday that Government-employed troops were being withdrawn from the Province, trained to face armed terrorists. He told police recruits at a passing-out parade: "They will remain here, and by that I mean, out and about and doing their job. The searchers are unarmed, but the police authority said that they operated only in conjunction with armed policemen or armament from the Northern Ireland Police Authority that members of an Army bomb disposal team are expected to be in Belfast to-day were now being asked to man guard with theft as a result of roadblocks in some rural areas, a police investigation into allegations of looting after explosions. Mr. James Kilfedder, Unionist MP for North Down, said that the Government-employed troops were being withdrawn from the Province, trained to face armed terrorists. 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Map by George Philip and Son Ltd. © 1977.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HANDLING

Gantry for making long welds

TO SPEED lengthy welding operations on crane girders, John Smith (Keighley)—specialist in overhead crane girders and part of the Thos. W. Ward Group—has designed and installed what is believed to be a unique automatic submerged-arc welding gantry.

Capable of handling girders up to 100 feet long, the equipment is said to produce a cleaner, deeper weld of consistently high quality, at about 20 in./min. Since the advent of the gantry, mechanical handling operations have been reduced by 60 per cent, and the company says that critical design features can be completed automatically and rapidly without unnecessary lifting and turning sequences.

The inverted U gantry, running on twin floor tracks, carries two submerged-arc welding heads, adjustable for height and rake, which apply a continuous fillet weld to the girder sections mounted on a fixed longitudinal guide rail, installed using a laser to ensure accuracy. It is mounted on upright supports at one side of the bed.

The side webs of the girder are laid flat on the bed and the position of the guide rail adjusted laterally to provide the calculated camber required on the girder span. Separate oxy-acetylene cutting heads trim the fillet to shape as the welding gantry traverses the head under pre-set automatic control. When each side web has been cut to camber, the top and bottom flange plates can be simply positioned and spot welded. Maximum girder section is 80 by 78 inches (torsional type).

Correct positioning of the welding heads is automatic. Slight variations in horizontal and vertical dimensions are automatically compensated by an electronic probe mounted in carriers, of the box type fitted front of the welding head. End overhead crane girders, are welded in a similar manner.

Costing £40,000, the equipment was designed in conjunction with the Welding Institute and BOC, and built by Steel Engineering, of Dudley. The company estimates the welding gantry is producing up to 15 per cent cost savings over contract production.

More from John Smith (Keighley), PO Box 21, Bradford Road, Keighley BD21 4AL (0535 605311).

Hose reel has its own drive

AN ELECTRICALLY powered hose reel that can be used to carry fire hoses, heavy duty electric cables, or fire hose has been launched by the Electronic and Mechanical Engineering Co., Halesowen, West Midlands B62 8EA (021-550 3121).

Designed to withstand a delivery pressure of 100 psi and a delivery rate of 90 gal./min. with negligible pressure drop, the reel is 44 in. diameter and 11 in. wide. The drive motor is battery powered, and provides automatic rewinding facilities. The gantry travels the head under pre-set automatic control. When each side web has been cut to camber, the top and bottom flange plates can be simply positioned and spot welded.

Maximum girder section is 80 by 78 inches (torsional type). Correct positioning of the welding heads is automatic. Slight variations in horizontal and vertical dimensions are automatically compensated by an

either direction.

● ELECTRONICS

New stores versus discs

LATEST study to be completed by Mackintosh Consultants, a 500-page two volume exercise, deals with serial memories and covers trends in technology and products in the U.S., Europe and Japan and also looks at markets in the U.S. and Europe.

According to Mackintosh the makers of these new memories (they include charge-coupled devices, beam-accessed MOS and magnetic bubbles) aim to gain a major slice of the lucrative market currently served by the moving magnetic types—discs, tapes and drums.

The total size of this market in Europe and the U.S. is put at \$1bn, and in these two areas alone by 1986 the new technology sales are forecast at \$250m. Major suppliers are likely to be newcomers to the traditional bulk store scene.

Existing disc, tape and drum suppliers will therefore be forced to make, predicts Mackintosh, continuous performance and architecture improvements in order to fight back. Moving head disc makers for example are likely to improve bit density by a factor of ten over the next

● COMPUTERS

Double from Burroughs

INTRODUCED in the U.S. in February and now made available in the U.K. is a new addition to Burroughs' 800 series, the B800 small scale disc based computer.

Having twice the power of the B700, the new machine incorporates the company's computer management system (CMS), an integrated arrangement of operating and application software. In terms of price and performance the computer fits between the B50 very small scale machine introduced in April last year and the B1500 medium scale system on which marketing began last November.

Models in the series have main processors operating at either one or two MHz and up to 131 kilobytes of main memory. The system has a separate program-mable data communications processor with up to four communications lines.

Burroughs places emphasis on the growth capability of the B800. Users can graduate to it from the B50, or from it to the B1500, since all three utilise CMS. Furthermore, the new machine has code compatibility with B700, giving "instant maturity" of existing software and instant transfer of user application programs.

and associated communications equipment, machinery for man-made textiles production, and controls and instruments for handling dangerous materials.

The group has been organised as a product prospecting mission by the Ontario Ministry of Industry and Tourism, Toronto. Further information from the Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS (01-930 6404).

By agreement between the Financial Times and the BBC, information from The Technical Pages is available for use by the Corporation's External Services as source material for its over-the-air broadcasts.

MANAGERS AND MICROS

HOW MICROPROCESSORS AFFECT YOU—A BASIS FOR RATIONAL DECISION. A one day microprocessor appreciation course for managers which describes the personnel, timescales and costs needed to develop microprocessor based systems. Date: Wednesday, 20th April. Location: Royal Lancaster Hotel. Price: £50 per head plus VAT which includes lunch, morning and afternoon refreshments and course documentation. To book: Ring 01-727 5814 or write to Micro Focus Ltd., 18 Vernon Yard, Portobello Road, London W11 2DX.

● MATERIALS

Safer polyester resins

ALL THE general purpose Beadle polyester resins made by British Industrial Plastics—a Turner and Newall company—are now to be supplied only in the "environmental" form.

The new formulation, which covers eight resins, contains an additive which reduces styrene vapour levels during curing by around 37 per cent (down to 41 ppm). Full ventilation is, of course, still required but these resins should enable moulders to comply with statutory regulations requiring no more than 100 ppm of styrene vapour in the working environment.

BIP would not reveal which additive is being used, but did say it was not wax, which latter stages (that is, after consolidation), and the strength. The additive operates by retaining a proportion of the

● INSTRUMENTS

Gives exact mass flow

DESIGNED to derive mass flow from their existing measurement systems by applying the necessary compensations for variables such as pressure and temperature is the Metrec unit from Rosemount Engineering.

The unit accepts either differential pressure or pulse inputs representing volumetric flow rate and also takes in a temperature and/or pressure depending on the type of flow compensation required. Correction is applied for these and also for the compressibility factor over a defined range.

An output signal is used to indicate mass or standard volume flow and is totalised within the unit to indicate the integrated flow over a given period.

Excluding the external transmitters employed in the system, the accuracy of the new unit at a specified pressure and calibration point is ± 0.02 per cent of reading. For a three to one turn down ratio in pressure and over a fluid temperature range of -10 to $+40$ deg. C, the accuracy becomes ± 0.7 per cent of the display reading. More from the company at Durban Road, Bognor Regis, Sussex PO22 9QX (02433 3121).

MULTIPOINT printing recorder made by Esterline Angus Instrument Corporation and marketed in the U.K. by International Instruments combines a linear servo motor with a simple solid state printing head to ensure positive multipoint channel identification.

Styrene within the polyester. It is claimed that this in no way affects the strength and other characteristics of the laminate. The company was not prepared to say how much had been spent on this research, which it said had been stimulated by the Health and Safety at Work Act. BIP said the cost of development had been absorbed by the company and would not be passed on to the customer—the new resin prices are the same as the old range.

There is no loss in performance and no increase in cure time, and all the new resins have Lloyd's Register of Shipping approval for GRE boat construction. BIP emphasises that the inclusion of the environmental additive has very little effect on the level of styrene emission during the early period of hand lay-up or spray-up.

The new formulations reduce styrene vapour levels during the latter stages (that is, after consolidation), and the only effective answer for the comfort of the operator during the lay-up period is adequate supplies of fresh air, combined with an efficient extractor system.

Styrene odour is detectable at 25 ppm; irritates the nasal passages at 200 to 400 ppm; at 400 to 1000 ppm causes dizziness, nausea and headaches; at 800 ppm becomes intolerable to mucous membranes; and 10,000 ppm may cause death in less than an hour.

Suggestions are already being made in the U.S. that the permitted level should be reduced to 25 ppm. If this is adopted, it is probable that U.K. legislation, which tends to follow U.S. practice in this field, would also call for this level.

BIP, which is at P.O. Box 11, Hat Bank Road, Oldbury, Warrington, West Midlands B69 4NF (021-562 1851), has published a leaflet "Reduction of styrene fumes in GRE workshops" which lists 13 recommendations for safer working conditions.

The "Access 200 Automatic Process" allows up to six people using an internal private telephone exchange to enter their paging calls simultaneously—many conventional systems allow access to only one user at a time. Callers communicate directly with a memory which stores all the dialled information and then signals each pager in sequence.

To page someone the caller first dials access digits to gain entry to the call processor via one of six trunks. He then dials the digits of the pager to be alerted, followed immediately by three or four message digits indicating the telephone extension to be called back or a room number. After being alerted by a call signal the recipient then hears the digits of the dialled message in a synthesized voice. Average time duration of seven digits is 3.5 seconds, which represents only 30 per cent of the air time used by the average message spoken directly by the caller in a conventional tone and voice system. This saving and the additional traffic possible through the multiple input trunk registers provides the high capacity typical of tone-only systems. More from G. Underwood Street, London N1 7JT (01-253 7611).

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COMMUNICATIONS

Pager has own voice

OFFERED by Multitone Electric Company is a paging system that makes use of an electronic voice synthesiser to indicate the origin of calls.

The "Access 200 Automatic Process" allows up to six people using an internal private telephone exchange to enter their paging calls simultaneously—many conventional systems allow access to only one user at a time. Callers communicate directly with a memory which stores all the dialled information and then signals each pager in sequence.

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Looking for business
A GROUP of Ontario businessmen seeking British engineering, industrial and computer products for manufacture in Canada under licence or through joint ventures is due to arrive in London on April 24.
Products and processes sought cover foundry and metal stamping equipment, aluminium castings, sheet metal shelving, furniture and home hardware, electrical connectors and processes for overhaul of large dc motors, computer peripherals and associated communications equipment, machinery for man-made textiles production, and controls and instruments for handling dangerous materials.
The group has been organised as a product prospecting mission by the Ontario Ministry of Industry and Tourism, Toronto. Further information from the Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS (01-930 6404).
By agreement between the Financial Times and the BBC, information from The Technical Pages is available for use by the Corporation's External Services as source material for its over-the-air broadcasts.

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Telex 015227
* This announcement appears as a matter of record only.

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EATON
But is it commercial?
A hard fact of life is that you don't have to be beautiful to be commercial. True, the beautiful things are acclaimed—and rightly so. But the fact remains that someone has to be concerned with the gritty gritty end of life. Someone like Eaton. Eaton in Britain is part of the £1000 million worldwide Eaton Corporation headquartered in the United States. A company that has been active in Britain since the early years of the century. And today it has manufacturing plants in nine different locations as widespread as Basingstoke and Livingston, employing over 4,500 people. Turnover in the U.K. last year exceeded £65 million. The balance of payments, meanwhile, annually benefits to the tune of some £10 million. Impressive statistics you might say, but what does Eaton actually make? Eaton axles and gearboxes for Britain's commercial vehicles Yale® locks and a host of allied security products. Eaton industrial clutches and brakes. A range of Yale® fork lift trucks and hoists. Not very glamorous products perhaps, but extremely vital ones. And in this day and age, they're the ones that count. If you'd like to know more about Eaton please write to Audrey Green and she'll send you the booklet "Eaton in Britain".
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For further information contact: **EUROPRODUCTS** New Industrial Estate, Bilsenavon, Gwent, U.K.
Tel.: Blaenavon (0495) 790081. Telex: 497530 UROCAB G

Use of oil products continues to fall
Law may come if hotel code is failure
Abbey National Ann

HOME NEWS

Rodgers to end 50 mph limit

BY IAN HARGREAVES

SPEED LIMITS imposed in 1974 as a fuel economy measure will be lifted from June 1, but a new limit of 60 mph will apply on unmarked, single-carriageway roads.

He told the Commons that surveys had shown the measures had become widely disregarded, and had become difficult to enforce to a degree where respect for the law would be maintained.

He did not expect present driving speeds to rise significantly, but he thought the changes would make overtaking easier and thus improve road safety.

The Department of Transport said that technically it was possible that drivers breaking the 50 mph and 60 mph limits before June 1 would be prosecuted.

It had not been possible to alter the limits immediately because a period of notice was needed for authorities to put 60 mph signs on any dual carriageway they felt was of too low a standard for the 70 mph limit.

The Royal Automobile Club welcomed the easing of speed limits, but said it would be even better if the new limit could become operative immediately.

The Automobile Association said: "We hope this is only the first step in a wider review of all speed limits."

Use of oil products continues to fall

By Kevin Done, Industrial Staff

CONSUMPTION of petroleum products in the U.K. last year fell to its lowest level since 1968, according to figures released by the Institute of Petroleum.

Last year's consumption, including deliveries to refineries, totalled 86,632,880m. tonnes, 1.2 per cent lower than the return for 1975 and 18.6 per cent lower than 1973.

The U.K. consumed almost 20m. tonnes less last year than four years previously. The chief fall was in demand for fuel oil which has continued to decline.

Consumption of both motor vehicle fuels, petrol and diesel, rose last year, however, compared with the totals for 1975, petrol rising by 4.7 per cent, to reach 16,878,600 tonnes and diesel by 3.3 per cent, to total 5.6m. tonnes.

The Institute's figures take no account of last year's consumption of natural gas totalling 31.5m. tonnes, 18 per cent of the U.K.'s total energy demand.

Naphtha, Avtur, and lubricating oils all showed increases, but there were falls in burning oil and bitumen.

Law may come if hotel code is failure

By Arthur Sandles

HOTELS may soon be forced by law to display their room rates at reception desks, but for the moment the Government has chosen a voluntary code of conduct, which means participating hotels would tell travellers exactly what they are committed to, and try to avoid shocks over the final bill. It applies from June 1.

The move was welcomed by many organisations last night, but falls short of what many consumer groups urge.

Mr. Edmund Dell, the Trade Secretary, said the Commons yesterday that there were plans for the display in reception areas of maximum and minimum overnight charges, and discussions are being held with local authority organisations and others concerned with a view to introducing an Order in this Parliament to require such display.

Law to curb misleading forecourt price signs

BY TERRY DODSWORTH

GARAGES which do not display clear and unambiguous petrol price signs visible to the motorist in his car will soon face a fine of up to £400.

The Government is planning to introduce legislation to eliminate misleading forecourt advertising "within a matter of weeks," Mr. John Fraser, Minister of Prices and Consumer Protection, said yesterday.

The decision to bring in a statutory order to this effect came after a six-month period in which garages had been given the chance to follow a voluntary code. The experiment, Mr. Fraser said, had failed, and he now had a "clear duty" to the public to bring the whole of the industry into line.

He regretted the move because about half the industry had complied with the voluntary code.

The new statutory order will be along the lines of the voluntary agreement against which the industry was hammered on in consultation with the industry.

In essence it will require the price of four-star petrol to be displayed, along with one other grade. It is on offer, for example, "7p off pump prices" but rather "net cash price 83p" or "7p off pump price of 90p."

The Motor Agents' Association said yesterday that it had



Minister John Fraser with new display system.

of the price he will actually have to pay at the cash desk.

In other words, filling stations should not display signs saying, for example, "7p off pump prices" but rather "net cash price 83p" or "7p off pump price of 90p."

The Motor Agents' Association said yesterday that it had

campaigned strenuously to ensure that all price displays were clear and it was "deeply distressed" by the lack of compliance by members to the voluntary code.

Mr. Fraser disclosed that misleading petrol advertising topped the list of complaints received by his department.

Burmah share compromise sought

BY MARGARET REID

THE BURMAH Shareholders' Action Group urged yesterday that any compromise settlement of Burmah Oil's petition against the Bank of England over Burmah's former 30 per cent shareholding in British Petroleum should be on terms acceptable to the group.

As part of its rescue operation for Burmah more than two years ago, the Bank bought Burmah's shares at a price of 117.5m. The market value of the interest is now £436m, higher than this, at BP's price of 790p, up 10p, yesterday, and Burmah is suing the Bank for the return of the shares at the original price of 117.5m.

In his Budget last week, Mr. Healey reaffirmed the Government's intention to sell a 17 per

cent holding out of its own 48 per cent stake in BP, leaving the State's interest, including the Bank of England's disputed 20 per cent, at a majority 51 per cent.

The Action Group says in a letter to Burmah's 150,000 shareholders to mark its own second 50,000th anniversary that it is reasonably satisfied that there has been "no loss of momentum" in the strength of Burmah's claim.

Asked what he thought a suitable formula for any compromise would be, Mr. Jonathan Stone, the group's honorary treasurer, hinted at a 50:50 division of the BP shares between

Burmah and the Bank as an acceptable outcome, when he replied: "Why not split it down the middle? And why not get it out of the way quickly?"

The group, which has 20,000 members, is seeking new donations to its fighting fund. The £50,000 raised in the two-year operation (including the group's own legal advice about the strength of Burmah's claim) has now effectively been used.

There appears to be no sign at present of any move towards a settlement of the suit brought against the Bank by Burmah, which expects the case to come to court in the autumn. Meanwhile, Burmah's 1975 results will be announced on April 20, to be followed by its annual report on May 13 and the annual meeting on June 10.

£220m. glass container sales

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

GLASS CONTAINER sales in the U.K. last year totalled 6,548bn. units, valued at £220.6m., the Glass Manufacturers Federation said yesterday.

This was a 5.6 per cent increase in unit sales and gave the industry its best annual sales figures since the peak in 1973 when they reached 7,148bn. units.

Demand was very uneven last year. At its start about 20 per cent of U.K. capacity was shut down, but after the hot summer imports moved up because of

shortages of home-produced containers.

Sales in the dairy industry at 467m. units, up from 452m. in 1975, reflected growing demand for new lightweight pint bottles.

The buying spree ahead of the December mini-Budget helped to lift sales of wine and spirit bottles from 1,234bn. to 1,374bn. Sales of beer and cider bottles fell from 357m. to 302m. units. This was caused by a fall in the demand for returnable bottles in bars as draught beers became more popular, particularly draught lager.

Sales of containers for no-deposit beers and ciders increased by 13 per cent, to 146m. units. It is in this sector that the federation has been attacking its main rival, the can.

Demand from the food industry improved, with 1,734bn. containers sold against 1,687bn. and, after a poor year in 1975, sales to the chemical and pharmaceutical industry recovered from 544m. to 588m. Demand in this sector continues high. The federation suggests that demand this year may increase by 2 per cent, to 6,648bn. units.

Car test 'not tough enough'

THE NEW extended MoT test is still not tough enough, the Consumers' Association claims today in its Motoring Which? magazine.

There were still fundamental improvements to be made, and it suggests a national chain of independent test stations to conduct the test—and not ordinary garages.

The new amendments to the test are "clearly sensible" but it did not go any way towards solving "the unsatisfactory situation" the magazine highlighted six years ago—over half the cars submitted for test passed when they should have failed.

"We still believe an annual test is essential but we think the best way to bring about an effective test is to have a national network of independent test stations.

Until the standards of testing reach a uniformly high level, the MoT test was unlikely to play its full part in promoting road safety.

The magazine says the test still involves no dismantling and relies on what the tester can see or feel: the tester is not even allowed to take the bull caps or wheel trims off to check that the wheel nuts are done up.

Child safety Motoring Which? also criticises car-makers for not paying enough attention to children's safety restraints.

Some manufacturers listed child seats in their accessory catalogues—but do not provide the necessary mounting points. The situation was "ludicrous."

Some car makers were tempted to fit the restraints in such a way that the mountings did not interfere with luggage space. Estate cars and hatchbacks are particularly criticised.

Moreover, child seats and harnesses do not have to meet the British Safety Standard. By a "curious" legal loophole, a harness could be sold without

being approved if the manufacturer did not claim it is a "safety" restraint.

"We are in favour of all devices designed for use in cars having to meet a safety standard," it adds. Parents are urged to use a special restraint for all children under 5 feet tall of weighing less than 80 lb.

The magazine concludes that child harnesses for older children are the least effective. The biggest problem is that children are able to wriggle out of them.

Guide to camp sites abroad

NEARLY 5,000 camp sites in 18 European countries are included in the 1977 Guide to Camping and Caravanning in the Continent, just published by the Automobile Association.

The guide is available to AA members at £2.50 (£2.75 by post), and from bookshops at £2.95.

Housing figures continue decline

By Michael Cassell, Building Correspondent

THE NUMBER of homes on which work started in Britain during February dropped to one of the lowest levels for over 18 months, underlining the continuing recession in the house building industry.

Figures yesterday from the Department of the Environment show that during the month a start was made on only 14,700 homes in the private and local authority sectors combined. The total compared with 15,700 in the previous month and 25,200 a year earlier.

Taking three-month totals to reduce the effect of month-to-month fluctuations, housing starts recorded in the December-February period were 20 per cent below the level achieved in the preceding three months and 35 per cent down on the same period a year before.

Housing completions in February reached 22,100, compared with 28,200 in January and 23,200 in the second month of last year. Again on a three-month basis, completions recorded between December and the end of February were 10 per cent down on both the earlier three months and the same quarterly period one year before.

Public sector In February, public sector housing starts reached 7,100, compared with 8,300 in December and 13,600 one year earlier.

Work also began on 7,600 private homes, a repeat of the level achieved in the two preceding months but 3,000 down on February 1976.

Public sector completions in February were 11,400, a rise of 1,300 from the month before but more than 1,000 down on February 1976.

The number of private homes on which work was completed in February reached 10,700 after 10,200 in January. The figure represented a fall of 100 from the February, 1976, level.

The Department also reported that renovation grants for 29,200 homes were approved in England and Wales in the December-February quarter, compared with 23,200 in the same period 12 months before.

ICI joins car race venture

By John Griffiths

IMPERIAL Chemical Industries and Newsweek, the international news magazine, yesterday announced a joint venture into motor racing.

A Chevron car in the livery of both companies will contest the 1977 European Formula 2 championship in the hands of two British drivers, Guy Edwards and Ray Mallock. It will make its first appearance at Thruxton on Monday.

Mr. Hueb Miller, deputy chairman of ICI's European division, said yesterday that the sponsorship formed part of an intensified sales drive in Europe which will include exhibiting at the main European motor shows.

ICI sells to the British motor industry more than ten times as much polyurethane, elastics, paints and related products as it sells to the West European industry.

The championship will take the ICI-Newsweek car Inn seven European countries. The cost of the project has not been disclosed.

Siege trial barrister becomes QC

MR JOHN MATTHEW, who prosecuted in the Balcombe Street siege trial, is among 30 Queen's Counsel appointed today.

The list includes Miss Beryl Cooper, a former Conservative candidate and co-author with Sir Geoffrey Howe, of the book, Equal Opportunity for Women, published by Conservative Central Office.

Another new QC is Professor Daniel O'Connell, fellow of All Souls, Oxford, and an authority on public international law.

Imported cars ready to break through 50% sales barrier

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CAR IMPORTS gained ground rapidly in the British market in March to take 45.6 per cent of total sales compared with 39.5 per cent in February. There is now a distinct possibility that import could break through the critical 50 per cent sales figure this month.

The crucial factor in keeping the imports at bay will be British Leyland's ability to set cars out into the showrooms to make up for those lost during the month-long toolmakers' strike.

Production is now going along healthily, but most dealers believe that Leyland's sales will be even lower this month than last, when the company slipped behind Ford to take only 22.63 per cent of the market with 27,995 sales.

Dealers are now talking privately of a distinct build-up of customer resistance against the Leyland marque because of its industrial troubles and the quality problems these have been causing.

Sales of British cars have not been helped by production difficulties at Ford, particularly on the Escort line at Halewood, Liverpool, where the company has been consistently complaining about low productivity.

Ford's 27.78 per cent share (31,838 unit sales) took it to the top of the market, but it had been expected to have lifted sales (2,296).

The import total was swollen by about 13,000 vehicles brought in from the Continental associates of the big three multinational manufacturers.

Second among the foreign manufacturers was Fiat, which has been staging a big recovery in the last few months, and achieved 5.8 per cent of the market (7,178 cars). Volkswagen was third with 4.8 per cent (5,547) and Renault, which is in the throes of the R14 launch, was fourth on 3.47 per cent (4,296).

Sales of British Leyland cars in the U.S. last month totalled 6,580 representing an increase of 18 per cent on sales in March 1976. Leyland said yesterday

MARCH REGISTRATIONS

Table with columns for car brand and percentage of total registrations.

These figures made Ford the second largest importer after Datsun, which has moved back to the top of the import league with 6.46 per cent of the market (8,001 sales).

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Freeze plea as packages go metric

By Elinor Goodman, Consumer Affairs Correspondent

THE PRICE Commission yesterday backed suggestions that prices should be voluntarily frozen during the changeover period to metric pack sizes.

Ideally, it said, manufacturers' selling and recommended retail prices should not be increased for two months or so around the date on which the new packs sizes are introduced.

The commission recognised that in some cases the changeover to metric packs would take place over a protracted period and it might not always be reasonable to ask manufacturers to freeze their prices during the entire time taken to complete the process.

But it hoped such exceptions would be infrequent.

Moratorium Codes of practice, embodying the idea of a voluntary price freeze, might usefully be negotiated with trade associations involved in future proposals for metrication.

The idea of a moratorium on price increases during the changeover was put forward last year by the National Consumer Council while some of the Council's ideas were taken up by the Conservative Party and incorporated in the amendments to the Weights and Measures Act 1976. The price freeze suggestion was not adopted.

Tikkoo house sold to Saudi king for £3m.

By Joe Rensimon

KING KHALED of Saudi Arabia has completed the deal to buy Kenwood Hall in Hampstead, north-west London, the home of Mr. Ravi Tikkoo, the shipping millionaire, for about £3m.

Estate agents Benham and Reeves said yesterday that the property had been sold to the King for around £3m for the use of his nephew, Prince Faisal, and the keys will be handed over to-morrow.

The price is understood to have been given a personal tour of the house by Mrs. Tikkoo before he left London last week for the Bahamas, because of what he considers the unfairness of the British tax system.

The King bought another home to Hampstead last week for a reported £1.8m. He is in this country recuperating after major surgery.

Mr. Tikkoo bought his house in 1973 for £500,000.

ITALIAN INTERNATIONAL BANK BASE RATE Italian International Bank announce that, with effect from 1st April, their Base Rate for lending was reduced to 10 1/2%.

for the first time in our history we advanced over £1,000 million to home owners in a year.

Among the points made by the Chairman The Right Hon. The Lord Hill of Luton, in reporting at the Annual General Meeting of the year ending 31st December 1976 were:-

TOTAL INVESTORS 3,976,864

TOTAL HOME BUYERS 645,230

TOTAL INVESTMENTS £4,090,889,795

NEW MONEY FOR HOMES £1,012,005,810

TOTAL ASSETS £4,346,320,268

Total Assets reached a record £4,346m, an increase of £64m representing a growth of 1.74%. The Society received £1,859m in shares and deposits including £177m interest credited—Principal repaid £1,279m. Net intake £980m.... The number of shareholders and depositors increased by 475,000 to almost 4 million.... For the first time in its history, the society made advances in mortgages of over £1,000m—of this £216m went to newly built properties, £235m to pre-1919 properties, while £26m went to people referred to us by Local Authorities. New loans numbered 108,000, (10,000 up on 1975).

The extra liquidity built up in 1975 served its purpose in 1976 allowing us to maximise our lending out of current income and still have £718m (16.5%) at the year end. A welcome feature of 1976 was a marked improvement in Surplus achieved raising the Reserve Ratio to 3.32% of Total Assets. One of our main aims has been to extend our service to members, while preserving standards. While our Branch network at December 31st had expanded to 422, our tight hedging system meant that our Management Expenses compared very well with other major societies and indeed with comparable financial institutions.... Inevitably the increase of business transacted put a heavy workload on the administration.... Basically however it is on the diligence, devotion and spirit of the staff that we depend for the administration of our affairs and our standard of service.

Abbey National Annual General Meeting, 6th April, 1977. Another 25 years of progress. 1952-1977 statistics table. ABBEY NATIONAL BUILDING SOCIETY Abbey House, Baker Street, London NW1 6XL 01-486 5555.

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- ONE of the largest British banking groups, based in London, and with substantial world wide interests, is to extend further its activity in international bond markets.
- To this end it is proposed to add an experienced professional in this field to the top management team.
- THE requirement is for extensive experience in the Lead Management of Eurobond issues and for the personal stature and aptitude to develop business successfully.
- PREFERRED age: 30-40.
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A basic £10,000 per annum plus profit-sharing scheme is offered.

A senior executive will be in London for interviews during May.

Please write giving fullest details of experience, age, education, salary, etc., to our Sydney office. References essential and only man of highest calibre need apply.

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★ This is a key role. Besides contributing to the development of company corporate strategy it involves total responsibility for the full range of legal, secretarial and accounting support functions and financial staff management. There are excellent prospects for further career development, including a seat on the Board.

★ The requirement is for a qualified Commercial Solicitor/Accountant/Chartered Secretary whose business skills have been extensively developed. This should have been at a senior level and must include a detailed knowledge of the application of control systems.

★ Initial salary c £7,500 + car. Preferred age 35 to 40.

★ Applications in the first instance should be sent, in confidence, to: A. R. Heckscher, Esq., BSc(Econ), F.C.A., A.T.I.L., Albert Heckscher & Co., Chartered Accountants, Regent House, 235-241 Regent Street, London W1R 8JU.

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Applicants aged in their early thirties must be fluent in Spanish and have had formal credit analysis training followed by at least three years relative banking experience in this sector, including loan syndication work.

Please write, in confidence, giving full career details to the Managing Director, United International Bank Limited, 30 Finsbury Square, London EC2A 1SN.

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Vacancies exist for men and women with The Bank of Credit and Commerce International for all categories of experienced staff, from clerk to manager, for London and provincial centres within the UK.

The Bank provides a wide range of commercial and international banking expertise, with emphasis on personal service. If you are experienced, orientated towards business development, seeking a rewarding career in a stimulating environment, please send details of your career history to Mr. R. J. Evans, Personnel Manager, The Bank of Credit and Commerce International, 100 Leadenhall Street, London EC3A 3AD.

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BHF-BANK

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is looking for a

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to handle international lending business, in particular Eurömarket financings and without-recourse operations.

The successful applicant will have had comprehensive training in banking or hold a degree in economics, and have several years' practical experience in international lending business. He will be fluent in both German and English. A basic working knowledge of French would be an additional asset.

This is a challenging position, which offers opportunities for advancement.

Please send your written application with curriculum vitae and qualifications, quoting ref. No. 344, to:

BHF-BANK, Personalabteilung
Bockenheimer Landstraße 10 (Rothschildpark)
6000 Frankfurt 1 • Telefon (06 11) • 718-1



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For a public group (turnover in the region of £75m) with interests principally in textiles and engineering.

The person appointed will be responsible to the finance director primarily for overall control of the group's tax affairs, including tax planning, working out the tax implications of development proposals and negotiating with the Inland Revenue. He or she will also assist with the group secretarial work and financial exercises.

Suitable candidates will be qualified accountants with at least two years' post-qualifying experience of dealing with the tax affairs of large companies.

Write in confidence, quoting reference 1252/L, to: M. J. H. Conroy,

Peat, Marwick, Mitchell & Co., Management Consultants, 11 Ironmonger Lane, London, EC2V 8AX.



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The company, established over 40 years ago, is part of a European mining and trading group with subsidiaries throughout the world. The Managing Director will be given considerable autonomy to expand existing operations whilst benefiting from co-operation and liaison with the head office and sister companies overseas.

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Salary and profit share will probably exceed £30,000 for the successful candidate.

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The Pensions Office: An autonomous unit comprising around 100 personnel, servicing 150 Group companies, managing benefits for 90,000 pensioners and contributors; currently controlling funds of over £200M. Responsible for policy formulation and, in particular, advisory services and the investment, and administration of all pension schemes.

The Career Opportunity: As the Group's Deputy Pensions Manager, you will assume responsibility for the Management and Administration of the Pensions Office, centred at Stafford, controlling a staff of 90.

Your key line responsibilities will encompass the organisation of all systems, training and structuring of department functions. Handling more complex cases. Developing a close relationship with all companies in the Group, using your powers of initiative to develop your divisional responsibility and scope of department services. You will report to the Group Pensions Manager, who is located in London.

Our Ideal Candidate: An experienced and knowledgeable Pensions Department Administrator (Aged 35-43 years), preferably having been trained within a Life Office and with experience of the industrial environment. A methodical, highly system orientated individual who enjoys the complexities of personally running a large department with a high workload.

Act Now! Telephone or write to the Group's advisor: (Ref: 174) Richard N. Goode M.A. (Cantab), on 01-248 7421 or 01-248 1344 (24 hr. Answerphone).

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While first hand practical experience is essential, human qualities are as important as technical qualifications. The remuneration package (£S\$Singapore 165,000) is generous and includes basic salary and housing. In addition a car and driver is provided.

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INTERNATIONAL COMMODITY BROKERS REQUIRE SOMEONE TO TAKE OVER COMPLETE ADMINISTRATION

We feel this could suit a number two person who is seeking advancement.

Salary according to experience.
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STOCKBROKERS

have vacancy for experienced person with accountancy background. Must be familiar with analysis of company accounts, company and general taxation and capable of giving general back-up help to research-minded persons.
Age up to 45, salary by arrangement.
Write Box A.5909, Financial Times, 10, Cannon Street, EC4P 4BY.

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SENIOR SALES AND MANAGERIAL EXECUTIVE returning from U.S. post desires integration into an organisation with a challenging task. To increase both export and home markets. The advertiser has a broad experience of negotiations and business practice at all levels and is fully accustomed to complex and detailed responsibilities on a world-wide basis. Write Box E.9468, Financial Times, 10, Cannon St., EC4P 4BY.

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REPORTER IRISH PRESS LIMITED-DUBLIN

has a vacancy for a reporter to join the group financial and business section of the editorial staff. The successful applicant will have had seven years' experience in this field and be able to interpret and comment on company reports and balance sheets. Evidence of ability to write concise and readable reports on business affairs will be an essential qualification.
Salary: £3,497.54 per annum, including an allowance.
Write for application form giving full details of career to:
Personnel and Training Manager, Irish Press Limited, Bachelors Quay, Dublin 2.

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APPOINTMENTS FINANCIAL TIMES PetroMoney REPORT The Financial Times is looking for an editor for its new PetroMoney Report...

LEGAL NOTICES No. 0062 of 1977 In the HIGH COURT OF JUSTICE...

COMPANY NOTICES JAMES BEATHE LIMITED NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company...

PERSONAL 49,000 SCHOOLS AND EDUCATIONAL ESTABLISHMENTS are needed in the Middle East...

CLASSIFIED ADVERTISEMENT RATES From 12th April 1977 Industrial and Business Premises for Sale...

PUBLIC NOTICES London Traffic Inquiry The London Motorists' Association, with the object of sounding public opinion...

LABOUR NEWS Merchant Navy officers dislike package offer BY NICK GARNETT, LABOUR STAFF UNIONS representing Merchant Navy officers are unhappy with a pay and conditions package offered them yesterday...

Rival unions clash over Laporte Industries BY OUR LABOUR STAFF OFFICIALS of the Association of Professional Scientists and Technologists are meeting management of Laporte Industries...

Bank staff seek MPs' backing BY OUR LABOUR STAFF THE COUNCIL of Bank Staff Associations is asking MPs to support a Bill scheduled to go through Parliament...

Babcock drops out sadly but with £2m. profit H. P. Smith's name was changed to Amalgamated Industrials. The reaction of the new Morris management team to the arrival on the scene of Mr. Smith and his associate, Mr. Per Hegard...

NEWS ANALYSIS The Herbert Morris battle by KENNETH GOODING widespread distrust of Mr. A. T. Smith and Mr. P. C. Hegard which stems from an impression that in their business activities...

How the pay kitty can work ALAN PIKE explains pros and cons of the new principle in bargaining Government would achieve any sort of pay agreement for the coming year...

White collar call for up to 34% BY David Churchill, Labour Staff TRADE UNION negotiators representing 351,000 white-collar workers were given official instructions yesterday...

Power Council chief backs differentials BY CHRISTIAN TYLER, LABOUR CORRESPONDENT IN YORK GOVERNMENT INTEREST in attractiveness of kitty bargaining is being restored...

Miners' bid to squash pay talks BY Ray Perman, Scottish Correspondent AN ATTEMPT to squash negotiations between the Government and the unions on a third round of pay policy before they start will be made by the miners at the annual conference of the Scottish TUC later this month...

COMPANY NOTICES Pretabail-Sicomi Société Immobilière pour le Commerce et l'Industrie NOTICE OF MEETING The Board of Directors announces that the Annual General Meeting of the Members of the Company for the year ended 31st December 1976 will be held at 10 a.m. on Thursday, 28th April 1977...

PARLIAMENT

As MPs prepare to adjourn for the Easter recess, Rupert Cornwell presents his end-of-term report

Seven days was once a long time in politics

Tory attack on Silkin rejected by Minister

By John Hunt, Parliamentary Correspondent

MR. JOHN DAVIES, shadow Foreign Secretary, came to Labour criticism in the Commons yesterday over a speech which he made to Brussels attacking Mr. Jobo Silkin, Agriculture Minister for the strong stand he has taken against proposed increases in EEC agricultural prices.

According to Mr. Douglas Jay (Lab., Battersea N.), a leading anti-Marketeer, it was yet another example of the Conservative Party promoting the interests of all countries except its own.

Mr. Frank Judd, Minister of State for Foreign Affairs, said that if we wanted anything positive to come out of the Community, we had to face up to the basic interests which were at stake.

Any tendency to sweep under the carpet large and important national interests which will serve counter-productive in the longer term, he warned.

Mr. Davies intervened to confirm that Mr. Jay's account of what he had said in Brussels was substantially correct. He said that many of the Right Honourable friends that the Minister of Agriculture has severely damaged British interests in the Community," he declared.

But Mr. Judd retorted that he could not allow this statement to go unchallenged. He said that Mr. Silkin had merely pointed out, in unqualified terms, that fundamental British interests were at stake. If we were to have a Community which was viable, we had to face up to these issues.

Mr. Judd was reported to have said in the House of Commons that the Foreign and Finance Ministers and of the Foreign Ministers Council in Luxembourg on Tuesday.

He said that in Luxembourg there had been general agreement on the need to contain agricultural spending in the Community and to concentrate more resources on relieving urgent social needs, especially unemployment.

Restrict

Mr. Judd confirmed that it had also been decided at the talks that a renewed effort must be made to break the deadlock over Community fishing rights to Icelandic waters. An EEC delegation would visit Reykjavik to discuss the whole question of fisheries agreements between Iceland and member States.

In the talks, Britain would not be adopting a conciliatory attitude of threats or aggressive postures. We would be taking part in a spirit of constructive friendliness.

"But we are going to be firm. We have to remember that we were getting 172,000 tons of fish largely cod, from these waters. Now we are getting none," he added.

The Minister also said it had been agreed that countries fishing in Irish waters should submit fishing proposals to be examined by the European Commission and the Irish Government. This followed Ireland's threat to restrict fishing by bigger boats in their waters.

Mr. Davies welcomed the statement about Iceland but said that many in the House were apprehensive about the failure to reach a conclusion on the inshore fisheries question and this was causing fishermen a great deal of anxiety.

Mr. Judd assured him that Britain was committed to work for an effective Common Fisheries Policy.

"If this is to be successful, it will have to take into account the very special needs of the British fishing industry, and the disproportionate contribution made to the Community from the fishing grounds of the U.K.," the Minister added.

For the Liberals, Mr. Jo Grimond said that there had been reports that Britain had reached an agreement with Norway under which herring could be caught up to 12 miles from the British coast. Mr. Judd replied that negotiations were not complete and he knew of no positive grounds for supposing the reports to be true.

Future debates

COMMONS business after the Easter recess will be:

TUESDAY (April 19): Debate on the army.

WEDNESDAY: Opening of debate on White Paper on direct elections to European assembly.

THURSDAY: Subject for debate to be announced; motion on EEC documents on food labelling.

FRIDAY: Private members' Bill.

MONDAY (April 25): Conclusion of debate on direct elections.

Lords business is:

TUESDAY (April 19): Criminal Charges Equalisation Bill, second reading.

WEDNESDAY: Debates on the Post Office and the present state of the Public Records.

THURSDAY: Statute Law (Repeals) Bill, from domestic immunities and European Patent Organisation; Merchant Shipping (Safety Convention) Bill, committee; Deer Bill, committee.

HAROLD WILSON'S appraisal that a week is a long time in politics stands in need of urgent revision. To judge by events since the Queen's Speech last November, the classic definition of political permanence should be shortened from seven days to two or three.

This afternoon, at 4 p.m., those MPs diligent enough to have hung around until the final whistle will be able to go home, savouring the anticipated pleasure of a 12-day Easter recess during which, it may be coincidentally predicted, the Government will not fail. That is more than can be said for the bulk of the last four months, which even veteran Westminster watchers concede has been among the most disaster-stricken and exciting in memory.

Much, of course, has to do with the timing (if that is the right word) arithmetic of the Palace of Westminster as the place tries to adjust to "agreement" if not "coalition" Government. Back in November, Labour enjoyed a luxury which it has never again possessed in the life of this Parliament, a majority of two over all other parties.

By mid-February and the death of the Foreign Secretary, Mr. Anthony Crosland, the advantage had disappeared. When the Conservatives retained their majority seat of the City of London and Westminster South on February 24, the Government was in a minority of one for the first time. The Stechford debacle made it two and the resignation of Mr. David Marquand brought the total for the time being to three. And it is probably only the freakishly low number of by-elections since October, 1974, that has kept the Government benches as well populated as they are.

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That Bill has since been successfully re-introduced, with the minor cosmetic changes required, but the message was plain. Within a fortnight, the whips had managed another, and this time colossal, miscalculation as they failed to gauge the size of the rebellion on Labour's back-benches against a timetable motion to curtail debate on the detailed committee stage deliberations on devolution. The guillotine was lost by 312 votes to 282 as more than 40 Labour MPs either voted with the Conservatives or abstained.

Mr. Callaghan affected unconcern. There were forecasts that with the centre-piece of its legislative programme in fragments, the Government could survive quietly as long as it wisened by keeping its head down and doing nothing to upset anyone. The calm lasted just three weeks, an interlude marked by the Government's climbdown in the face of the combined forces of Tory opposition in the Commons and Lords, and sundry "hybridity" experts, when it agreed to drop ship-repairers from its long-fought Bill to nationalise the aircraft and ship-building industries.

What everyone had overlooked, however, was the fact that the Government had lost not only devolution, but the tacit backing of the Scottish and Welsh Nationalists.

On March 17, it fumbled a vote on its public expenditure White Paper only to lose a technical division forced by the Scottish National Party by 294 votes to 264. Mrs. Thatcher had no choice but to put down a no confidence motion and the rest is well known: the Government's victory with the Liberals and its victory



Mr. Callaghan has come through some of the most hectic months Parliamentary observers can recall.

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First cracks

As its Parliamentary position weakened, the steady-day thrills in the House of Commons multiplied. At the beginning, events were largely of a staid, tortuous deliberations of the Cabinet on the terms of the IMF loan, and the long-rumoured but no less dramatic resignation of Overseas Development Minister, Reg Prentice, stranded on the far right of his party and all but disowned in his constituency. Even the first big vote on devolution, after the second reading debate, was successfully weathered by the Government, although the defections from its own side served warning of the earthquake to come.

It was not, in fact, until February that the Parliamentary

Industry, particularly of small firms, in their planning policies. To facilitate the re-casting and expansion of the urban programme, Mr. Shore told the House expenditure would be increased from the present level of under £300m. to £125m. a year in 1979-80.

"I hope it will be possible to increase it further in later years," he stated. On intention that this will form a continuing commitment of around £1bn. over the next decade.

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Mr. Brian Gould (Lab., Southampton, Test). What proportions of the inflation rate in 1976 were the result, respectively, of: (a) increases in wage costs, (b) increased profit levels, (c) increases in prices of imported food and raw materials, apart from the depreciation of the £ sterling, (d) increases in prices of imported manufactures and semi-manufactures, apart from the depreciation of the £ sterling, (e) increases in (c) and (d) as a result of the depreciation of the £ sterling and (f) other factors; and what are the equivalent figures forecast for 1977?

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Shore plans £1bn. outlay to develop inner cities

BY IVOR OWEN, PARLIAMENTARY STAFF

A SWITCH of emphasis in Government policy announced in the Commons yesterday by Mr. Peter Shore, Secretary for the Environment, as part of a £1bn. 10-year programme to help the inner cities could halt the exodus of commerce and industry from London.

Mr. Shore envisaged a change of direction for the Location of Offices Bureau (LOOB) after its years of effort to persuade firms to give up high cost premises in London in favour of more economic accommodation in less congested parts of the country.

He saw the new role of the LOOB as being far more concerned with looking at the contribution it could make in office development to help the inner city areas, including the inner areas of London.

While insisting that there was no question of the Government abandoning its regional policy objectives, the Secretary of State said it was intended to offer special partnerships to the authorities, both district and county, of certain cities. This would involve the joint preparation of inner area programmes in order to secure a coherent cross-the-board approach. Urban grants would be paid and related to these own inner area programmes.

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Advertising and...

Motorcraft's European target

BY MICHAEL THOMPSON-NEL

FORD OF EUROPE is launching its first international television campaign for Motorcraft replacement parts, using work by Lintas London which is acting as coordinating agency for 15 European countries. Motorcraft headquarters are in Cologne.

Apart from running for three months in the U.K., the Lintas commercial is also about to be used in Italy, Switzerland and Portugal, and discussions are continuing to other European countries.

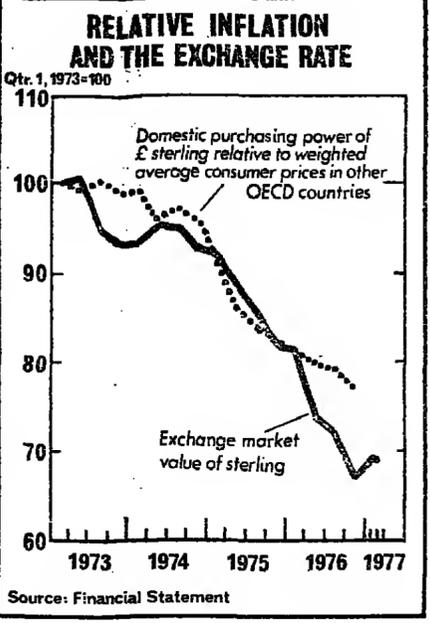
Still on the Lintas automotive front, the new service launched by Unilever Computer Services—Computacar—has just begun advertising in the London TV area where it plans to spend £1m. The basic idea is that anyone wanting a used (or new) car rigs one of the Computacar telesales girls who tells them free of charge, which dealers have the make and model they want. The dealers pay for the service at a relatively small additional cost to their normal advertising budgets.

The success of this venture, which has already proved a considerable hit in the Manchester area, is such that within 24 hours of the first two TV spots appearing on Thames, the telesales around £1.5m., the biggest part of which will go on a national television campaign using two new 45-second films on sporting themes, Lintas is enjoying the fruits of increased advertising and sales through the summer. Between 1976 and 1977, its billings improved by £2.5m. to £14.5m. Last year its gross income was 28 per cent across the year. The first programme on 1975, comfortably outperforming

ECONOMIC VIEWPOINT

BY SAMUEL BRITTON

Why IMF is wrong on sterling



Source: Financial Statement

THE GOVERNMENT'S all right. It's bound hand and foot by the IMF. This is the stock response to economic questions by numerous City gossip, Conservative MPs and Press commentators. The remark is as wrong-headed as it is backward.

From any innocence which betrays about British domestic politics, it is utterly misleading in the area of sensitivity which it bestows on the IMF. The Fund consists of stable members with their own interests to pursue and in at least two respects they have recently been trying to fasten wrong-headed policies on this and other countries.

Attention has been focused on IMF views on the Public Sector Borrowing Requirement and Domestic Credit Expansion. What has been overlooked is that a great deal of time was spent during the visit of the IMF mission last autumn discussing the sterling exchange rate. Not everything that was agreed either on sterling or domestic policy has been published. Apart from the Letter of Intent, papers have been exchanged between the Chancellor and the IMF on wages, prices and exchange rates.

Originally the Fund was so preoccupied by the need to maintain a competitive sterling exchange rate that it wanted to lay down a rough illustrative timetable for the downward movement of sterling. During most of the discussions sterling was fluctuating in the £1.60 to £1.65 area. Fund officials thought that at this rate, the U.K. was internationally competitive for the first time, and they set out alternative projections of further depreciation

from that point, based on comparative international inflation rates. One key projection took the pound to £1.50 in the course of the fiscal year 1977-78.

The British Government set its face against setting out on paper any specific path for the exchange rate. In the end the formula in the Letter of Intent contained a compromise without figures. The crucial sentence in Paragraph 23 states: "Intervention will be designed to minimise disruptive short-term fluctuations in the rate and to maintain stability in the exchange markets consistently with the continued maintenance of the competitive position of U.K. manufacturers both at home and overseas." What is meant by "maintaining the competitive position" is left conveniently undefined.

There was thus some basis to the report, which rocked the sterling market in October, about the IMF looking for a \$1.50 in the pound exchange rate. But the figure did not represent an immediate demand and the IMF was and is against any fixed rate. The \$1.50 point was an illustrative guidepost on a descending path, drawn up for a period when the British inflation was expected to be above the international average.

The fact is that after many years of deviation of semi-fixed exchange rates under Bretton Woods, the IMF has now developed an obsession about not supporting overvalued currencies.

Another IMF obsession is income policy. Dr. Johannes Willems, the Fund's Managing Director, took a personal initiative to secure British numerical commitments from the British

discussions—is in no position to dictate British exchange rate policy. But the understandings about "competitiveness" are just sufficient to give an additional argument to those in Whitehall who are in any case against an appreciation.

For Ministers and their advisers have been so divided about what to do about the supposedly embarrassing strength of sterling as they were about its weakness. The so-called Young Turks of the Treasury have wanted to maintain sterling on a falling trend in principle export-led growth, business recovery and so on. (The pre-Budget economic forecasts were prepared on the assumption that sterling would continue to depreciate in order to compensate for the difference between British and international inflation rates.) Mr. Callaghan, on the other hand, has always been a fixed exchange rate man; so has Mr. Harold Lever, although more tolerant of upward than of downward deviation.

No one with any influence has yet fully taken on board the view of the "international monetarists" that there would be positive advantages in an appreciating rate, provided that the argument about competitiveness is largely false, as domestic costs adjust to the exchange rate rather than the other way round.

The Government has gone for the middle course of holding the rate at around \$1.72. Ministers have been influenced by industrialists' lunch table talk about "stability" and wish to hold sterling there for the foreseeable future. But one of the few certainties is that this supposed middle way will not work. Either the inward movement of

TOTAL CURRENCY FLOW

(Change in reserves net of official overseas borrowing)

Year	£bn.
1972	-1,285
1973	-1,729
1974	-1,672
1975	-1,465
1976	-3,628
1977 (1st qtr. est.)	+20

Balance for official financing
Source for full years: Treasury

The discussions with the IMF were in terms of the rate at which sterling should depreciate; but, as usual, forecasters and fine-tuners have been given a shock by what Mr. Khrushchev used to call "life itself." For the actual problem has been the unexpected strength of sterling and its tendency to appreciate—not depreciate—more than the authorities think good for us. The table shows that even after allowing for the first part of the IMF drawing, and official Eurodollar borrowing, the reserves increased by about £2bn. (well over \$3bn.) in the first quarter, and we know from Mr. Healey's winding up speech in the Budget Debate that—as a result of foreign currency purchases to prevent sterling rising above \$1.72—there has since been another large increase in the reserves.

When sterling is strong, the IMF—which has its own interpal

Price and pay policy

From Mr. G. Smith, *Stratford-on-Avon*

"The Chancellor appears to be recognising that improved productivity is the key to our ability to restore long term economic viability and employment and to overcome inflation. What now has to be found is a creative policy which can be applied to and by every organisation in the country. The primary aim of any price/pay policy is to encourage the process of adding value throughout the country. What is now needed is to harness the creative ability of the whole country towards the same objectives—more output, less input, and a higher standard of living. The approach is to retain a form of price monitoring/investigation, but to develop a philosophy that uses self-monitoring throughout by companies and employees. If prices were regulated so that they only increased in line with a 5 per cent. increase in added value, then we have price control.

With a pay norm of 5 per cent. for 1977-78, this would encourage a new look at productivity. The 5 per cent. increase in added value per £ wage/salary were allowed to cure anomalies and restore relative values. If added value per £ wage/salary increased beyond that point then it could become the basis for pay increases. The 5 per cent. increase would be allowed to recover any increase in pay above the 5 per cent. norm allowed. Increased added value enables employees to negotiate about pay increases and companies to have funds for investment and profits. So both partners have the same objective—improved productivity.

Any company can use this measurement base. Added value can be increased by using less materials—less imports or by creating more output per day, more exports. Both these actions increase competition—control prices—reduce inflation.

This approach could be serious since the company's price increase reduces another's added value. The company which can improve productivity will always do so—and its employees want to be rewarded. Provision of information will give employees data for negotiation. Improved productivity would not lead to unemployment since the unions are protected on that particular subject—it would stimulate a look at new opportunities for job creation. Improved productivity is a more realistic way to employ participation than worker directors ever will be.

Geoff Smith, *Bracken Cottage, Chisler House Lane, Bessy, King's Lynn, Norfolk.*

Letters to the Editor

can only increase the number of homeless or those unable to support their families. The result would be that more children would have to be taken into care. The cost of putting a child into care can be as much as £80 per week—about the same as the national average gross pay for non-manual men, whose wages are expected to be able to support a family. The National and Local Government Officers Association has supported the child benefits scheme for precisely the same reason. Mr. Rogaly adopts these payments as one of the best means of alleviating poverty. There is no need to suggest NALGO, or the National Union of Public Employees, have disingenuous motives for supporting such a cause.

Geoffrey Drain, *NALGO, 1, Mableton Place, W.C.1.*

Post Office traffic

From The Executive Director of Mail Users' Association.

Sir,—The recent coverage (March 30) of the five year plan

A source of revenue

From Ruth Lister.

Sir,—I was very pleased to read Joe Rogaly's article on child benefits (April 5) which outlined the inadequacies of the new child benefit scheme so well. But the position for some families is even worse than he realised. Because of consequent reductions in rent and rate rebates, many poor families will gain as little as 10p or nothing at all and a small minority will actually lose a few pence. Admittedly the mother will still be £1 a week better off (provided she is not responsible for paying rent) but she has two school children, that £1 will be wiped out in the

Company law reform

From Mr. G. Gardiner.

Sir,—I was delighted that you were able to spare the space on April 5 to publish Edward Owen's article concerning Mr. David Morgan's proposals for company law reform in the island of Jersey. Mr. Morgan's commercial law reform report No. 2 deserves the very highest praise and cannot but find sympathy for the Jersey legislators who are faced with the most difficult problem in decision-making to adopt the report and one wishes one could answer for them the question of whether they should adopt a first class company law system. It is sad to think that it is possible that the adoption of a superb system of law would frighten more people than it would attract.

I have been involved in a number of companies in Jersey and would prefer to advocate respectability, but if those with greater experience think otherwise I would not challenge the sincerity of their opinion. I am a member of a professional body deeply concerned to see the highest standards upheld in my natural island. In favour of the implementation of Mr. Morgan's proposals.

I hope that readers of your article will not have been misled by the words "theoretically advanced" as meaning "unrealistic." Mr. Morgan's work is academic and airy fairy. It is far from that. It is clearly the work of a man with great practical experience who has endeavoured to deal sensibly with the problems that arise.

Two proposals deserve particular mention. Firstly, Mr. Morgan's clause 2 of the draft law has been pathetically low in this country. In propose to increase them by shifting money from other social expenditure in an absurdly false economy. Reducing spending on housing

Child benefits scheme

From The General Secretary, National and Local Government Officers' Association.

Sir,—A primitive monetarist outlook forces Joe Rogaly (April 5) to tackle the problem of finding money for the child benefits scheme by lauding out wildly at other necessary forms of public expenditure. It is a dangerous approach. Firstly, Mr. Rogaly's clause 2 of the draft law has been pathetically low in this country. In propose to increase them by shifting money from other social expenditure in an absurdly false economy. Reducing spending on housing

Wages we can afford

From Mr. P. Mitchell.

Sir,—Once again we are hearing talks about wage explosions and the threats from certain union members about what will happen if their "needs" are not met.

We hear that our standard of living has gone down in the last two years, but never a reminder that this was an absolute necessity. As a matter of fact we should be heartily congratulated that it has done so.

To even contemplate the idea of a wage explosion at this time is complete and utter madness. Think of the effect on the pound. I just hope that everyone has his or her wheelbarrow in reserve, in order to carry their pound notes around.

I read in the Financial Times that—cheer—Mr. Seargeant said "I am sick and tired of hearing the whining that we must sustain a Labour Government. I am not prepared to continue to support policies which harm those I represent." He will do much more harm to the people he represents if he brings the country down to financial ruin with his extortionate pay demands.

Perhaps it would be a good idea if all trade union representatives, and here I include even shop stewards, had to pass an exam in basic economics before they could be appointed, and the same should be necessary for Members of Parliament, and in their case the word basic should be emphasised.

A covered market

From Mr. M. Rose.

Sir,—How I agree with the general manager of Elena Mae (April 4). The replication of building societies offices has ruined many a small town centre. Individual societies attempt to justify this as a way of enticing in customers. This argument doesn't hold for all societies. Surely it would be better for there to be one building society office with separate hanks within the office for each society—along the lines of an airport check-in. This could be extended to banks too.

Building societies also engage me by giving cheap mortgages to employees—thus distorting further the housing market, and by giving private medical insurance to their employees—thus helping in produce unequal opportunity in health care. They have a lot to answer for.

Malcolm Rose, *Flat 3, 72-74, Youlton Road, N.16.*

Covenants for charity

From Mr. G. H. Mason.

Sir,—Where covenants pay higher tax rates, the Inland Revenue, while returning to the charity the amount of standard rate tax paid by the covenantor, insists on retaining the 10 per cent. or 15 per cent. the latter may have had to pay on the net amount. The quibble is that there is nothing in the tax Acts which omits the return to the charity of this extra tax, although it is admitted to be an additional tax on income which the donor is deemed not to have received at all.

This is a grave injustice which can be affecting every charity in the land.

G. H. Mason, *"Gardstone", 262, Wainley Road, Sutton Coldfield, Worricks.*

To-day's events

U.S. Administration expected to make major policy statement on nuclear power.

Dr. David Owen, Foreign Secretary, scheduled to hold meeting in London with Bishop Abel Muzorewa, leader of Rhodesian African National Council.

Levyland Cars' working party on labour problems of manual workers due to hold its first meeting in York.

Mrs. Margaret Thatcher, Opposition leader, arrives in China for seven-day visit at start of Far Eastern tour.

Lord Thomson on Commonwealth tour as Prime Minister's special envoy to prepare for forthcoming Commonwealth Conference in London.

Dr. Joseph Luns, Nato Secretary-General, on visit to U.S.

Electrical Power Engineers' Association conference ends, York.

Mr. Robert Bittlestone, manager, group information systems, Roneo Vickers, speaks to Inter-Bank Research Organization meeting in York.

Information for Financial Decision-Making on Group-Wide Basis, Moor House, London Wall, E.C.2, 4.30 p.m.

Open meeting at London Chamber of Commerce, 29, Cannon Street, E.C.4, 11 a.m.

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Open meeting at London Chamber of Commerce, 29, Cannon Street, E.C.4, 11 a.m.

TON

Advertisement for 'TON' featuring a large image of a person's face and the text 'TON' in large letters.

HERENGRACHT (CENTRUM)

Advertisement for 'HERENGRACHT (CENTRUM)' featuring a large image of a building and the text 'HERENGRACHT (CENTRUM)'.

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COMPANY NEWS + COMMENT

Overseas operations help RMC to £23m.

FOR 1976 taxable profit of Ready Mixed Concrete shows an 82 per cent. jump from £12.6m. to £22.94m. At midway the increase was from £4.16m. to £10m.

Turnover rose from £412m. to £515m. and, for the first time, overseas sales represented more than 50 per cent. of sales.

Overseas operating profit increased from £3.54m. to £12.49m. due to a recovery in demand for building materials in most areas of operation.

A small increase in U.K. operating profit was achieved even though construction industry demand continues to fall.

Group borrowings less cash and short term investments have been reduced by a further £2m. to £44m. despite the restatement of overseas borrowings at higher sterling values following the depreciation of the pound.

Interest charges were £12.2m. lower at £4.6m.

Since the first half of 1975 Ready Mixed Concrete's profits have been on a sharply rising trend...

After an increase from £0.58m. to £0.61m. at halfway when the directors stated that they looked forward with confidence to another successful year...

Stated earnings per 10p share are 30.0p against 27.6p. and the gross final dividend is 3.375p for a maximum permitted gross total of 6.751p compared with 6.135p.

There were no extraordinary items against £24,000, and the tax charge was £0.67m. compared with £0.47m. Profit retained was up from £1.33m. to £1.81m. Net assets are shown as £2.12m. (£1.54m.).

The company manufactures domestic detergents and bleaches, etc.

INDEX TO COMPANY HIGHLIGHTS

Table with columns: Company, Page, Col., Company, Page, Col. Lists various companies like Abrasives Intl., Allen Harvey & Ross, Bids and Deals, etc.

Last year U.K. ready mixed concrete deliveries were running some 23 per cent. lower than the 1973 peak and deliveries in the current year are expected to be down by a further 5-10 per cent. so there is not much scope for substantial profit growth in the domestic market in Germany, deliveries in the current year are likely to rise by a few points only.

As forecast at the time of the rights issue last April the dividend is lifted from 8.0414p to 8.8p with a final payment of 5p. Earnings for the year were up from 31.4p to 41.3p per 25p share.

Statement Page 19

£1.32m. at Robert McBride

Even after allowing for exchange gains of say, £1m. or so, a 42 per cent. improvement in Taylor Woodrow's preliminary pre-tax profits after a rise in sales of the quarter was considerably better than expected.

With around two-thirds of profits coming from abroad, Taylor Woodrow's overseas business has benefited from the decline in sterling, but the group's heavy investment in the Middle East is starting to pay off and profits

from the giant Dubai dry dock and the important extension to Port Rashid (both joint ventures with Costain) should start to have a material impact on earnings in the current year.

The sizeable open-cast coal mining contracts have cushioned the contracting side and, though U.K. housebuilding has been in the doldrums, total U.K. profits have moved ahead well. Whether this can be continued in the current year, given the difficult domestic trading conditions, is debatable but overseas profits should increase giving profits of over £25m.

Tranwood turns in £208,784

FALLS IN turnover from £124m. to £146m. and taxable profit from £742,124 to £208,784 are reported by Tranwood Group for 1976.

Results are those of the continuing group as a going concern being company and its subsidiary Bensons Hosiery (Holdings) and exclude the losses of Tranwood Limited and Tranwood Plastics disposals which were placed under the control of a receiver in December 1976.

Comparative figures for 1975 comprise combined results of Tranwood Limited and Bensons Hosiery (Holdings) prior to their merger in 1975.

Basic earnings per 5p share are 0.94p (3.61p) and fully diluted 1.31p (3.27p). There is no final dividend leaving the total of 0.2525p (0.975p) net.

Tax took £11.168 (£424,169) and there are extraordinary debits of £910,017 representing amounts written off as a result of disposal or elimination of subsidiary companies.

Fife Forge chairman confident

With a substantial export order book and confidence in the contribution from acquisitions, Mr. Gavin Hepburn, chairman of Fife Forge Company, the Kilmacally marine shafting specialists, tells holders in his annual report that there is every prospect of good results in the current year.

For 1976, turnover advanced from £2m. to £3m. and profit before tax was £337,000 against £217,000.

Mr. Hepburn adds that capital expenditure in 1976 amounted to £150,000, making a total of more than £300,000 during the past three years.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date of payment, Corresponding dividend, Total for year, Total last year. Lists companies like Abrasives International, British Printing, etc.

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issued on capital. †Gross throughout. ‡Net of Jersey tax.

News International at peak £15.62m.

FOR 1976 News International profits are higher although there could be some problems this year - NI has stopped promoting The Sun which is suffering production problems that could threaten growth.

The directors state that of the profit, £1.88m. (£3.76m.) was from the U.S. operation, which largely comprising the share of the London Weekend Television profit and also the small profit on the U.S. operation.

The directors add that results can be considered satisfactory. However, they say, costs continue to increase in all areas and higher newspaper prices recently took effect.

The group's national newspapers in the U.K. are trading well, they say, and in other sectors results are currently ahead of 1976.

Publications in Australia are trading well in most areas, but profits are being affected adversely by the Government's flight and inflationary policies, they add.

In the U.S. all the indicators point to an improving economic climate and the group is optimistic that its publications there will prove a worthwhile long-term investment.

Turnover for the year rose by £22.22m. to £140.13m. Earnings are shown as 37,258p (30,588p) per 25p share and a final dividend of 4.3p net makes an 8p total compared with 7.4p.

A second-half profits rise of a fifth at News International has brought profits up by 16 per cent. in 1976. The strong contribution from associates reflects the 40 per cent. profits rise at LWT (in which NI holds 40 per cent.) and loss of participation in the U.S. Newspaper

W. H. Smith profit advances by £4.4m.

AN IMPROVEMENT in pre-tax profit from £11.25m. to a record £15.68m. is disclosed by W. H. Smith and Son (Holdings) for the year to January 29, 1977, after a rise from £2.69m. to £3.23m. after eight months.

Full year earnings per share are up from 29.5p to 44p. The net dividend is 6.665p for a total of 0.755p (6.885p).

Sales for the year were up from £263.77m. to £324.06m. in 1976-77.

Wholesale turnover improved as a result of the reorganisation carried out over the past few years and from a useful profit contribution by the book distribution division.

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ISSUE NEWS

F. Parker joins the OTC market

Frederick Parker, the family controlled Leicester-based construction equipment manufacturer, is joining the over-the-counter market organised by M. J. H. Nightingale as from next Tuesday.

This follows a placing of 122m. of Parker's shares with institutional investors at a price of 124p per 10p share. The new shares were issued in connection with the acquisition of six plant hire companies and buying out the 13 per cent. minority in the Canadian subsidiary.

The decision to make a market for the shares was taken for tax reasons. Parker intends to retain its private image (all the Board members are within the Parker family) but the company needed a market in the shares because of future capital transfer tax liabilities.

A Stock Exchange quote would have had to pass out of family hands - under this arrangement they will still hold 90 per cent. of the capital.

In the year to September, 1976, Parker restricted profits of £3.3m. shares go on the basis of one-for-eight at 8p each has been taken up as 10.41 per cent. The balance of 133,420 shares has been sold through the market and the pre-tax profit of £3.3m. will be distributed to OPEC states. This year selling

On the basis of the placing price, Frederick Parker would have a market value of around £17m.

TAP STOCK

The list of applications for the issue of 250,000, 9 1/2 per cent. Exchange Stock 1982 opened and closed yesterday. The full amount of the stock offered has been allotted and all applications received from the public being allotted in full.

HUNT & MOSCROP

The rights issue by Hunt & Moscrop (Middleton) of 2.5m. shares on the basis of one-for-eight at 8p each has been taken up as 10.41 per cent. The balance of 133,420 shares has been sold through the market and the pre-tax profit of £3.3m. will be distributed to OPEC states. This year selling



AN ENCOURAGING START TO 1977

At yesterday's Annual General Meeting the Chairman, Mr. Peter Boon said:

Fluctuations in trading conditions made 1976 a difficult year, but the results were creditable.

You would naturally wish me to say something about the prospects for the current year but, as I am sure you will appreciate, forecasting in present conditions is a hazardous pursuit.

However, I can report that with three months of 1977 behind us, the current year, in all the circumstances, has got off to an encouraging start. The general outlook for our industry is showing some signs of improvement and further progress may be expected both at home and overseas.

The future holds many imponderables, but what I can say with complete conviction is that I am confident that Hoover can and will move ahead - confident because of its strong financial position, its good management team, its competitive prices and, above all, the high quality of its products and the loyalty of its staff.



Mr. Peter Boon, Chairman, Hoover Limited.

1976 FINANCIAL SUMMARY. Turnover £180m (£163m), Exports £35.0m (£29.6m), Pre-tax Profit £17.0m (£20.7m), Dividends per share 13.27p (12.07p), Earnings per share 46p (54p)

Copies of the Report and Accounts together with the Chairman's circulated statement can be obtained from the Secretary, Hoover Limited, Perivale, Greenford, Middlesex.

DSM?

for a leading company we are initially misleading

We should have called ourselves ICI, for Immense Chemical Ingenuity. Or GEC for General Experts in Chemistry. Or ABC for Acrylonitrile, Butadiene, Cyclohexamine to take but three of our hundreds of products. All much less misleading than DSM.

FOR DUTCH Our HQ is at Heerlen in Holland. But we don't stop there: one third of the total of 30,000 DSM men are located in subsidiaries and associate companies in the United States, South America, all over Western Europe and many other countries as well.

FOR STATE. Misleading if you think a state business is protected from the chill winds other businesses have to face. Our Government's instructions to us are to make a profit and to raise any capital we need in the market place like everyone else. That's how protected we are.

FOR MINES. That's so misleading it's a wonder nobody has sued us. We once operated all Dutch coal mines, but the last Dutch-mined coal came up in 1973 completing a smooth and profitable move to other energy sources and wider enterprises. We've long been in coals, then gas and chemicals; now we're in petrochemicals, fertilisers, plastics, yarn and fibre, foodstuffs, rubbers, resins, building materials, transport, clothing...

DSM chemicals and plastics logo and text. Includes a stylized logo and the text 'DSM chemicals and plastics'.

There's more to our story. To find out how much write to the Information Department, DSM, Heerlen, The Netherlands.

Guardian Royal Exchange Assurance Limited

RESULTS FOR 1976

Dividend

The Directors recommend the payment of a final dividend of such an amount as will produce with the appropriate tax credit a gross equivalent of 8.07892p per share, making a total gross equivalent for the year of 14.002p per share (1975: 12.7292p). The increased dividend is the maximum permitted under current regulations.

If approved at the Annual General Meeting to be held on 1st June 1977 a payment at the rate of 5.2513p per share in respect of the final dividend will be made on 2nd June to holders of Ordinary Shares whose names appear on the register at 25th April 1977, making with the interim payment made in January 1977 a total of 9.1013p per share on the Ordinary capital (1975: 8.27398p). Should the rate of Advance Corporation Tax for the year 1977/78 be reduced to 33/67ths an additional payment of 0.16158p per share will be made to shareholders as soon as practicable thereafter in order to maintain the equivalent gross distribution for the year.

Preliminary Profit Statement

The audited accounts for the year ended 31st December 1976 will be posted to shareholders on the 5th May 1977.

Subject to audit the results for the year are as follows:

	1976	1975
	£m	£m
Short-term premiums written (net of reinsurance)	560.7	427.1
Investment income	58.5	49.2
Less Interest Payable	6.7	6.7
	51.8	42.5
Underwriting Results		
Short-term (Fire, Accident and Marine)	3.8	2.1
Long-term	5.5	5.0
	9.3	7.1
Profit before taxation	61.1	48.6
Less Taxation	28.6	24.7
Profit for year after taxation	32.5	24.9
Less Preference dividend and Minority Interests	1.4	0.6
Profit for year after taxation available to Ordinary shareholders	31.1	24.3
Ordinary Dividends		
Interim 3.85p per share	4.8	
Proposed 5.2513p	6.6	
Final *0.16158p per share	0.2	
Total *9.26788p per share (1975: 8.27398p)	11.6	10.4
Profit transferred to Retained Profits	£19.5m	£13.9m
Earnings per Ordinary share (after taxation)	24.3p	20.3p

*Subject to Advance Corporation Tax being reduced to 33/67ths

Underwriting profits have been achieved in the United Kingdom, Australia, Canada, Brazil, the Far East, West Africa and on overseas business written in London. In Europe there has been no improvement, our operations in Germany and Holland suffering from heavy storm damage, intense competition and lack of increases in rates, although this was partly offset by good results in France. As a result of a change in Australian legislation and practice, the contribution made to the consolidated profit and loss account for 1976 by the short-term revenue profits from that country has been increased by £1.3 million (£0.8 million after tax). This is an extension to the Australian company of the policy previously applied to the accounts of our Canadian and German companies which are consolidated on the basis of accounts prepared in accordance with their own local legislation and practice. The Marine and Aviation account returned a useful profit but conditions in that market in the U.K. still give cause for concern. However, the recent tragic accident at Tenerife is not expected to result in any significant cost to the company. The Life figures have been excellent and the bonuses of the principal Life Fund - Guardian Assurance Company Limited - were increased last December.



Royal Exchange, London EC3V 3LS

GKN £28m. up: Rowntree Mackintosh £67m. cash call 36.3% ahead at £30.9m.

ANNOUNCING 1976 taxable profits of £28.1m. ahead at 27.75m. GKN, Keen & Nettleton is calling for some £68m. to be raised by means of a rights issue on the basis of one-for-five at 26p. At mid-year profits were £7.03m. higher at £43.12m.

The directors report that the capital investment programme which has taken place in recent years is continuing. In the last two years £190m. has been spent on capital developments, of which £101m. went on U.K. projects. The new red mill and mini-steel plant in South Wales together accounted for £36m. Projected capital expenditure for the current year amounts to £25m. Some £5m. of this is for the U.K. including the first £1m. of an estimated £1.5m. replacement cost of the Rydboholm steelworks hot rolling mill.

They explain that working capital requirements are continuing to increase due to the high rate of inflation and the growth of the group.

Earnings for 1976 are up from 10.25p to 24.3p per share or from 30.2p to 32.5p prior to additional depreciation for inflation. The total dividend is stepped up from 11.31p to 12.43p with a final of 8.07892p net. It is the intention of the Board, given satisfactory results for 1977, to pay a total of 13.58p on the increased capital.

Capital requirements are continuing to increase due to the high rate of inflation and the growth of the group.

On cross-over for the current year the directors say the group has made a stronger start than in 1976, although there has been some slackening in demand from the levels achieved in the latter part of that year. Group sales are expected to show some volume improvement and this should enable benefits from the considerable expenditure of recent years to be reflected in profits.

The automotive sector was on a budget for the first two months of this year, and should recover any ground lost in recent weeks due to industrial disputes in the U.K. motor industry, given reasonable stability for the remainder of the year. European automotive component operations are continuing their strong performance of 1976. Outside Europe, overseas activities continue to advance in response to economic conditions, although a modest improvement in demand is expected by the 50 per cent. owned John Lysaght (Australia).

The cost of purchasing 24.3p per cent. of Sachs AG, was £110m., financed by borrowings outside the U.K. The purchase of a further 50.61 per cent. is dependent upon the outcome of a credit rating process and its federal supreme court by the federal cartel office. GKN is con-

A SHARP INCREASE in second-half pre-tax profit from £18.22m. to £21.2m. put Rowntree Mackintosh £3.13m. ahead at £30.9m. for the year to January 1, 1977, an increase of 36.3 per cent.

Sir Donald Barron, the chairman, says that the major uncertainties for the future lie in the areas of higher consumer reaction to higher prices and increasingly restrictive price controls in some countries. It would be unwise to forecast the outcome of these uncertainties.

However, in the first seven years of the 1970s, profits have more than doubled in real terms, he adds. Over the same period capital expenditure has totalled £60m. and large sums have been invested. Grants, strength and confidence, and plans are for continued growth in all divisions, members are told.

Stated earnings per 36p share, taking last year's Rights issue into account, are 37p compared with 27p, and the dividend total is raised by this maximum permitted from 5.76p to 7.3125p with a net final of 4.9125p.

	1976	1975
Turnover	84,842	81,828
Trading profit	36,794	33,273
Net interest	1,287	1,287
Net profit	38,081	34,560
Taxation	14,235	11,580
Minority interest	1,287	1,287
Profit before tax	22,559	21,980
Minority interest	1,287	1,287
Profit after tax	21,272	20,693
Dividend	14,360	13,706
Minority interest	1,287	1,287
Profit for year	6,625	5,699

The basis of valuation of stocks has been changed to conform with SSAP. The effect of the change for 1976 is not material, but for 1975 it increases trading profit by £1.01m. The effect of this change has been adjusted accordingly, it is stated.

Extraordinary items consist of credit on revaluation of overseas currencies £2.42m. and profit on sale of investments £30,000, less increase in provisions against value of quoted investments £654,000, the chairman states.

Sir Donald says the group had an excellent year in 1976 in a very competitive trading environment and against an uncertain

economic background in many areas. Sales values and profits rose in real terms, sales volumes were higher, brand strength increased, a large fixed asset investment programme was carried through and capacity use and employment were at a high level, he adds.

He goes on to say that sales at £335m. were 21.5 per cent. up on £275m. of the total company sales of £550m.

Profits at the trading level also rose by 21.5 per cent. to £38.5m. Interest charges were lower, some £1.7m. as a result of lower spread interest rates, a strong cash flow and the successful Rights Issue.

The fixed asset investment programme of £18.1m. (of which £5.1m. was leased) in 1976, inevitably inflationary pressures and higher raw material costs raised stock and debtors, but the increased working capital was well contained at £9m. Internal cash generation at £29m. was substantially higher than in the previous year and with the proceeds of the Rights Issue, total gross cash flow was over £51m. Group borrowings were reduced by some £16m. it is stated.

Sir Donald reveals that the group plans to spend some £25m. over the next three years on fixed assets alone.

Dramatic changes took place in the market and company share price during 1976. Sir Donald says the policy of carrying substantial forward cover was maintained and has been continued. The effect of these increases on company prices, increases on consumer prices, the group's commitments for 1977 and more of 1978 have been satisfactory, he states.

Harrison & Sons recovery

A TURNROUND from a loss of £340,000 to a pre-tax profit of £106,000 was achieved by printers Harrison & Sons in 1976.

At half-way when a recovery from a loss of £245,000 to a £20,000 profit was reported, the directors said they expected the improvement to continue.

They now say that the group is on a firm and reliable basis to meet present trading conditions and further progress is expected. Yearly earnings per 25p share are 1.75p (10.14p loss) and the dividend total is raised to 2.47p (£2.24p) - the level of 1974 - with a final payment of 2.27p net.

	1976	1975
Group turnover	1,823	1,642
Trading profit	89	134
Interest	12	12
Profit before tax	101	146
Tax	31	22
Profit after tax	70	124
Extra-ord. items	133	20
Minority interest	27	27
Profit for year	197	151
Dividend	35	35
Profit transferred to reserves	162	116
Loss: Credit: From reserves	106	340

Statement Page 21
See Lex

CompAir bond approved

A U.S.\$10m. issue of CompAir 8 1/2 per cent. Convertible bonds,

Allen Harvey and Ross

Mr. M. E. R. Allison, chairman of bill brokers Allen Harvey and Ross tells members in his annual statement that the company starts the current year with the expectation of further falls in interest rates and the asset side of the balance sheet shows little change in the position last year. On or before October 1, 1977, the directors will be redeeming the 10 per cent. Cumulative Preference Shares and accordingly are taking the opportunity to examine the company's capital structure and see how it would be best equipped to meet the last year's most exciting side of the business was that concerned with the public sector. The large number of Treasury Bills on offer enabled the company to maintain a high turnover and to increase connections with the ever-more sophisticated dealers in short term money market instruments. Similarly, the ability to fund their borrowing requirements, attractive opportunities occurred in the gilt edged market. The private sector was again influenced by an overall lack of

Higher profit from Winston Estates

Turnover of Winston Estates dropped from £314,243 to £200,600 in 1976, but profit rose up from £142,517 to £173,487, before tax of £161,037, compared with £99,784.

In the first half profit was £77,111, against £99,772 which included a £11,082 surplus on sale of rental property.

For the year earnings per 25p share are shown to be 2.51p (1.32p). The final dividend is 0.734175p for a total of 1.140225p (1.03675p).

Hoveringham advances to record £2.17m.

For 1976 profit before tax of Hoveringham Group rose to a record £2.17m. against £1.57m. after being ahead at half-way from 10.64m. to 11.25m.

Earnings per 25p share are shown as 5.63p (3.48p) and the dividend is stepped up to 1.8623p (1.6835p), the maximum permitted, with a net final of 1.3623p.

The extraordinary credit for 1976 of £2.577 included a surplus of £123.175 from realisation of fixed assets. Interest received relating to prior years 1975, a surplus on redemption of debentures £254,906 and a transfer of £399,323 to goodwill.

	1976	1975
Turnover	31,322,897	29,516,120
Trading surplus	2,822,891	2,116,820
Interest paid	58,099	32,872
Depreciation	712,924	645,776
Goodwill	18,216	18,216
Associated company	19,147	25,842
Profit before tax	2,081,225	1,528,020
Taxation	1,091,459	529,294
Net profit credit	1,089,766	998,726
Carried forward	1,113,672	224,689
Available	2,203,438	1,223,415
Prof. dividends	92,750	53,790
Ordinary dividends	1,110,687	674,625
Retained	692,001	505,000

• Comment
A sharp slump in volume sales of both aggregates and concrete. Hoveringham's profits virtually unchanged in the second half of 1976, after a 91 per cent. jump at half-time. The drop in volume reflects the fall in demand from the public building sector as Government spending cuts took effect. The full impact of these must be still to come and that casts a dark shadow over the year prospects, even though the group appears to be widening its share of the ready-mixed concrete sector. Hoveringham does have a strong balance-sheet, though, with bank balances still showing a credit of £1.1m. and its vertical integration, from sand and gravel through to ready-mixed concrete, puts it in a good position to benefit from any upturn in the building materials sector. In view of the restricted voting shares at 33p, on a p/e of 5.6 and a yield of 9.2 per cent., look fairly rated. Wimpey, through one of its subsidiaries, has recently built up a 25 per cent. stake in the restricted voting shares but the group is a close company and a takeover is entirely dependent on the consent of the chairman and his family.

MONEY MARKET

Signal on interest rates

Bank of England Minimum Lending Rate 9 1/2 per cent. (since March 1, 1977).

Day-to-day credit was in slightly short supply in the London money market yesterday and the authorities look the opportunity to give a signal on interest rates. They gave a large amount of assistance by lending a moderate amount for seven days and a moderate amount overnight to one or two discount houses, at Bank of England Minimum Lending Rate of 9 1/2 per cent. The lending for seven days was an indication that the authorities are looking for restraint at the weekly Treasury bill tender to be held to-day.

Discount houses buying rates for three-month Treasury bills finished at 8 1/2 per cent., indicating that the market is interpreting the signal as an acceptance that Minimum Lending Rate will fall by 1 per cent. to 8 1/2 per cent. this afternoon.

Banks carried forward run-down balances there was a net market take-up of Treasury bills, and the authorities held substantial numbers of maturing local authority bills. The market was also faced with an excess of revenue payments to the Exchequer over Government disbursements.

Discount houses paid up to 9 1/2 per cent. for secured call loans. Opening rates were around 9 per cent., but closing balances were taken at 4-6 1/2 per cent.

In the interbank market overnight loans opened at 8 1/2 per cent. and declined to close at about 4 per cent.

Rates in the table below are nominal in some cases.

	1976	1975
Overnight	8 1/2	8 1/2
Three months	8 1/2	8 1/2
Six months	8 1/2	8 1/2
Nine months	8 1/2	8 1/2
One year	8 1/2	8 1/2
Two years	8 1/2	8 1/2
Three years	8 1/2	8 1/2
Four years	8 1/2	8 1/2
Five years	8 1/2	8 1/2
Six years	8 1/2	8 1/2
Seven years	8 1/2	8 1/2
Eight years	8 1/2	8 1/2
Nine years	8 1/2	8 1/2
Ten years	8 1/2	8 1/2

Profits slump at Abrasives International

Pre-tax profit of Abrasives International for 1976 slumped from £55,505 to £5,884, an turnover ahead from £1.94m. to £2.5m. At half-way, reporting a decline from £34,000 to £48,000, the directors said the directors expected to maintain the total dividend at last year's 1.4m. net per 10 share, there is no final dividend. The interim 1.4m. net per 10 share earnings fell from 1.92p to 0.10p.

The directors now state that action has been initiated to improve the group's performance. Some beneficial effects of these remedial measures are becoming apparent, but it is still too early to indicate whether or not the company is on the way to complete recovery, they add.

There was a tax credit for the year of £120, compared with a charge of £28,250. Profit attributable in the company was £2,205 (£16,104) after minorities.

The directors say that the "very dramatic" results is not attributable to the company's inability to pass on suppliers' increased prices, export sales for the period not achieving expectations, and inefficiencies within machine engineering.

Bury & Masco

The next year's report will again show improved results, forecasts Mr. B. L. Allen, chairman at Bury & Masco, in his annual statement - the spread of use of the company's products is wide enough to hedge against all but a general recession.

As shown, prices for 1976 were 51.97m. (£20.73m.) from turnover of £11.0m. (£8.35m.). Exports accounted for 16.4 per cent. of turnover and the home market 70.3 per cent.

Cash balances decreased by £0.41m. (£35,000 increase) and short-term deposits were down by £0.2m. (£1.2m. increase).

Thrumorton Trust holds 14.35 per cent. of the Ordinary.

This Advertisement complies with the requirements of the Council of The Stock Exchange in London.

U.S. \$120,000,000

International Westminster Bank Limited

Floating Rate Capital Notes 1984

Irrevocably and unconditionally guaranteed on a subordinated basis as to payment of principal and interest by

National Westminster Bank Limited

Orion Bank Limited
Banque Nationale de Paris
Banque Populaire Suisse S.A. Luxembourg
Société Générale de Banque S.A.

County Bank Limited
Banque de Paris et des Pays-Bas
Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft
Union Bank of Switzerland (Securities) Limited

Credit Suisse White Weld Limited
Westdeutsche Landesbank Girozentrale

The Notes of U.S. \$1,000 each constituting the above issue have been admitted to the Official List of The Stock Exchange in London. Interest is payable semi-annually in arrears in April and October, it being expected that the first such payment will be due on October 20, 1977.

Particulars of the Bank and of the Notes are available from Extel Statistical Services Ltd., and may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including April 21, 1977 from

Orion Bank Limited
1 London Wall,
London, EC2Y 5JX

Strauss, Turnbull & Co.,
3 Moorgate Place,
London, EC2R 6HR

Cazenove & Co.,
12 Tokenhouse Yard,
London, EC2R 7AN

April 7, 1977

The advertisement is issued in compliance with the requirements of the Council of The Stock Exchange but does not constitute an invitation to the public to subscribe for or purchase any 9 per cent. Sterling/Guilder Convertible Unsecured Loan Stock 1987/92.

OCÉ-VAN DER GRINTEN FINANCE LIMITED

(Incorporated under the Companies Act 1949 in 1977)
(Registered in England - No. 1295713)

Issue of up to £15,000,000 9 per cent Sterling/Guilder Convertible Unsecured Loan Stock 1987/92 carrying the subordinated guarantee of Océ-van der Grinten N.V.

The Council of The Stock Exchange has granted permission for up to £15,000,000 9 per cent Sterling/Guilder Convertible Unsecured Loan Stock 1987/92 of Océ-van der Grinten Finance Limited, carrying the subordinated guarantee of Océ-van der Grinten N.V. to be admitted to the Official List. The Sterling/Guilder Loan Stock is being issued in connection with the acquisition of Océ-van der Grinten Holdings Limited.

Particulars of the Company and of the Sterling/Guilder Loan Stock are available in the Statistical Service of Extel Statistical Services Limited, and copies may also be obtained during normal business hours (Saturdays excepted) for the next fourteen days from

M. M. Rothschild & Sons Limited,
New Court, 5, Smith's Lane,
London, EC4P 4DU.

Cazenove & Co.,
12 Tokenhouse Yard,
London, EC2R 7AN.

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IS AND DEALS

Allied Breweries buys London hotel group

Cooper Hotels, the hotel company of Allied Breweries, has announced the purchase of the privately-owned Embassy Hotels (Hyde Park) for a total of £2.8m. satisfied allotment of 5,406,227 new shares of 25p in Allied Embassy Group comprises hotels, three apartments, a package of other smaller properties in London and the east. Biggest of the three is the London Embassy, looking Hyde Park. The other two are the Embassy House and Embassy Court. C. Bond, Allied Breweries Group director, said: "All the factors are that London is due an increasingly busy time on tourist front, and we are now equipped to take advantage of this opportunity."

MEYER EXPANDS IN EUROPE

Montazac L. Meyer has acquired through a newly formed wholly owned subsidiary, Montazac Meyer (Nederland) BV, the capital of Centrale Europeesche Industrie BV, a leading importer of softwood and hardwood. Mr. Meyer is to continue to serve the company as managing director, and Mr. M. J. Meyer has joined the Board.

Consideration payable wholly in cash was £14.12m. (£2.8m. which has been financed by seven-year loans in guineas from Barclays Bank International and Rank and Hope NV, at floating rates of interest with an option to convert a part into fixed-rate financing and with an initial interest cost of 12 per cent per annum. The audited financial statements of Centrale for 1976 show a profit of £1.8m. with no liability for taxation and net assets of £14.12m. including the Price Equalisation Reserve of £15.10m.

STANNEYLANDS

Greenall Whitley and Co. has accepted for 2.3m. Ordinary shares 186.79 per cent. for the whole of the issued share capital of Stanneylands Group. Greenall Whitley beneficially held 301,150 Ordinary shares in Stanneylands 110.04 per cent. prior to the offer period. This holding, together with the acceptances represents 88.12 per cent. of the issued share capital of Stanneylands. The offer has been declared unconditional as regards acceptances and the other conditions of the offer have been satisfied.

KENKAST

Mr. J. K. Dutton has resigned as director and secretary of Kenkast but will act as a consultant to the company until further notice.

July 30, 1977. Mr. K. Stockton has been appointed secretary of the company. Mr. Stockton has entered into a contract to acquire 106,203 ordinary shares in Kenpast from the Office of the Registrar of Companies on or before May 31, 1977, following completion of the transaction. Mr. Stockton and his family will hold 1,281,000 Ordinary shares in the company (58.68 per cent.).

ULTRA FORECASTS RISE TO £1.5M

Details of the Scheme whereby Ultra Electronic has been sent to shareholders. As known, Ultra shareholders will receive two Dowty shares or 210p cash for every share held. In recommending the terms, Ultra is forecasting pre-tax profits for the current year of £1.5m. compared with £800,000 in the previous period.

Shareholders are told that it is the policy of Ultra to maintain and develop Ultra's existing organisation and business as the electronics division of the group. No management changes are envisaged apart from certain Board appointments within the group. It is expected that the Scheme will become effective on May 27 provided it is first approved by Ultra shareholders in the High Court.

Shareholders of Ultra 71 per cent. Convertible Unsecured Loan stock 1800 and 1810 are recommended to accept terms of the Scheme which will give them two Dowty shares or 210p cash for each 90p nominal of stock.

METAL INDS.

Metal Industries (a subsidiary of Thorn Electrical Industries) has bought on behalf of its subsidiary, Tynes and Wear Electrical Company, the business of Border Rewards of Carlisle. This minor acquisition widens the national coverage for all types of electrical repair work within the Metal Industries Group and will improve significantly the service available to the North-West.

It is intended that the business of Border Rewards will be expanded.

VULCANITE

Ruberoid is to make an agreed bid of 65p cash per share for the 61 per cent. Preference shares of its subsidiary Vulcanite not already owned. Ruberoid owns all the ordinary and 23.5 per cent. of the preference of Vulcanite.

SHARE STAKES

Aberdeen Trust now holds 50,000 cum preference shares in Capital and National Trust. Mr. Cecil Charles Cooper, has bought 600,000 Cooper Industries Ordinary shares (194 per cent. of the 309,800 shares) beneficial holding of Burma Mines shares has increased from the previously reported 2,372,300 shares to 2,775,500 shares (20.07 per cent.).

Borelli Tea Holdings has received notice from Purbeck Group that its total holding is 66,750 ordinary shares.

Mr. Peter C. Colling, director of Albert Fisher Group, holds 2,139 shares and Mr. M. Guy Litt, a director, acquired 12,300 shares on March 11 at 7p and 12,300 on March 21 at 7p.

Scottish American Investment holds £30,000 British and Cable Investment 3 per cent. preference shares (14.4 per cent. of the 2,083,333 shares) of the company. Mr. W. D. Hurlock now holds a further 1,500 shares, making a total of 28,500 shares (1.38 per cent. of the 2,083,333 shares).

Midland Bank Trustee Company holds as trustee 1,082,300 W. H. Smith and Son Holdings 7.5 per cent. Ordinary shares (7.5 per cent. of the 14,300,000 shares).

Thromorton Street nominees are the beneficial owners of 322,300 George M. Whitley shares. Following the recent disposal of 100,000 Gough Cooper and Company shares and a reorganisation of the settlement, Mrs. V. M. Gough-Cooper is interested in 1,136,430 shares (14.7 per cent. of which 973,380 are held by trustees, of which she is the first named, for members of her family).

RESULTS AND ACCOUNTS IN BRIEF

MUNICIPAL PROPERTIES - Dividend 12.5p (1976) 12.5p (1975). Profit £2,500,000 (1976) £2,500,000 (1975). After tax profit £1,250,000 (1976) £1,250,000 (1975). Dividend 12.5p (1976) 12.5p (1975).

PATANI PARA PLANTATIONS - Total income for the year ended 31.12.76 £17,500,000 (1975) £17,500,000 (1974). Profit before tax £17,500,000 (1976) £17,500,000 (1975).

SAYANG RUBBER PLANTATIONS (1976) - Total income for the year ended 31.12.76 £1,000,000 (1975) £1,000,000 (1974). Profit before tax £1,000,000 (1976) £1,000,000 (1975).

SCOTTISH ICE RINK (1976) - Group profit for the year ended 31.12.76 £1,000,000 (1975) £1,000,000 (1974). Dividend 12.5p (1976) 12.5p (1975).

SECONDARY TRUST - Revenue for the year ended 31.12.76 £1,000,000 (1975) £1,000,000 (1974). Dividend 12.5p (1976) 12.5p (1975).

ORINKE NEEL COMPANY - Turnover for the year ended 31.12.76 £1,000,000 (1975) £1,000,000 (1974). Profit before tax £1,000,000 (1976) £1,000,000 (1975).

WESTBENT - Pre-tax loss for half year ended 30.6.77 £1,000,000 (1976) £1,000,000 (1975). Dividend 12.5p (1976) 12.5p (1975).

WOODWARD & SON - Results for the year ended 31.12.76 £1,000,000 (1975) £1,000,000 (1974). Profit before tax £1,000,000 (1976) £1,000,000 (1975).

NEB backing for Francis Shaw

The National Enterprise Board is investing £1m in Francis Shaw and Co. the Manchester-based manufacturers of machinery for the rubber and plastics industry, under terms which will give it a 30 per cent. stake in the company.

The Board said yesterday that discussions about another industrial investment in the North-West region were also taking place.

Francis Shaw reported pre-tax profits of £22,264 for 1976, compared with £21,869 the previous year. It commenced a programme of product diversification in the early 1970s, to lessen its dependence on the rubber industry.

The company says that the new funds are required to continue that programme and take advantage of export sales opportunities, but it also admits that because of its high borrowings, "it would not be practicable to raise by means of a rights issue or a placing with institutional investors as much new capital as will be provided by NEB."

Under the proposals, which are subject to shareholders' approval, the NEB will provide £750,000 immediately, partly by subscribing for a block of a new class of Preferred Shares carrying a fixed dividend of 18.5 per cent. The shares are convertible into equity in 1978 or thereafter, on a one-for-one basis at the option of the NEB. The Board will also subscribe for £200,000 of convertible loan stock. In addition, a loan facility of £1m will also be provided, with repayments spread over 10 years.

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ROSEHAUGH

Rosehaugh Co. has purchased 181,300 Rosehaugh Tea (Holdings) Ordinary 5p per share. The purchase price was £856,500, plus interest of £204,000 on the loan facility. The balance will be based on Derwent's results for the next 28 months.

MCKECHNIE PURCHASE

The metal and engineering group McKechnie Brothers has acquired the Derwent Industrial Plastics Group of York for an initial consideration of £550,000. The balance will be based on Derwent's results for the next 28 months.

UKO WILLMOTTS

The offers by UKO International for the pref. and Ord. shares of Willmotts (Investments) have been declared unconditional, and remain open. Acceptances have been received in respect of 74,650 Ord. shares (84.28 per cent.) and 27,272 pref. (£8.51 per cent.).

Rowntree Mackintosh

Preliminary Announcement 52 weeks ended 1 January 1977

Table with 2 columns: 1976 and 1975. Rows include Turnover, Trading Profit, Profit before Taxation, Profit after Taxation, Profit attributable to Ordinary Shareholders, Ordinary Dividends, and Added to Reserves.

Notes 1 The basis of valuation of stocks has been changed from 4 January 1976 to include fixed production overheads, to conform with S.S.A.P.S. The effect of the change for 1975 is not material, but for 1975 it increases trading profits by £1,012,000 and comparative figures have been adjusted accordingly.

Summary of Funds Employed

Table with 2 columns: 1976 and 1975. Rows include Use of Funds (Fixed Assets, Goodwill, Investments, Stocks and Debtors less Creditors), Provided by (Share Capital, Reserves, Loan Capital, Bank Overdrafts and Short Term Loans, Cash and Deposits, Minority Interests, Deferred Taxation).

Extracts from the Chairman's Statement

The Rowntree Mackintosh Group had an excellent year in 1976 in a very competitive trading environment and against an uncertain economic background in many areas of our world wide operations.

Sales values and profits rose in real terms, sales volumes were higher, brand strength increased, a large fixed asset investment programme was carried through and capacity use and employment were at a high level.

The continued success of the Group is a direct consequence of our positive objective of satisfying our consumers and of endeavouring to ensure that millions of consumer decisions made each day show preference for, and loyalty to, Rowntree Mackintosh products.

Sales at £385m were 21.5% up on the previous year. Sales outside the U.K. contributed 49% of the total compared with 45% in 1975.

Profits at the trading level also rose by 21.5% in £36.8m. Interest charges were down by some £1.7m as a result of lower world interest rates, a strong cash flow and the successful 'rights' issue and, reflecting this, pre-tax profits were higher by 36.3% at £30.9m, the highest figure in real terms in the Group's history.

Our fixed asset investment programme cost £16.1m (of which £1.9m was leased) compared with £8.1m (£2.7m leased) in 1975. Inevitably inflationary pressures and higher raw material costs raised stocks and debtors but the net increase in working capital was well contained at £9m. Internal cash generation at £39m was substantially higher than in the previous year and with the £12.4m proceeds of the 'rights' issue in June 1976, total gross cash flow was over £51m. Group borrowings were reduced by some £16m.

The final dividend proposed is 4.8125p making with the interim dividend already paid, a total of 7.3125p, compared with 5.76p for 1975. This is the maximum permitted dividend and is covered 4.7 times.

Some form of price control now operates in most of our major markets. While these measures can be justified in the short term as an indirect assistance in bringing inflation under control, they have undesirable long term effects on business confidence and they create an insecure base for forward planning, particularly where they are operated in a form which allows political considerations to be introduced.

The major uncertainties for the future lie in the areas of consumer reaction to higher prices and increasingly restrictive price controls in some countries. It would be unwise to forecast the outcome for 1977 in the face of these uncertainties.

However, in the first seven years of the 1970's, profits have more than doubled in real terms. Over the same period capital expenditure has totalled £60m and large sums have been invested in products and in people. Our brand strength and market shares give cause for confidence and our plans are for continued growth in all divisions.

Donald Barron

Table with 4 columns: Sales, Trading Profit, 1966, 1971, 1976. Rows include U.K. and Overseas.

- Kit Kat + Quality Street + Smarties + Polo + Black Magic + Fox's Glacier Mints + Texan + Rowntree's Pastilles + After Eight + Week-End + Aero + Coffee Crisp + Dairy Box + Toffo + Violet Crumble + Matchmakers + Jellytots + Walnut Whips + XXX Mints + Nutty + Yorkie + Blue Riband + Creamola + Panyan Pickles + Table Jellies + Sun-Pat Peanut Butter + Breakaway + Cheddar Spread

SUN ALLIANCE & LONDON INSURANCE GROUP

THE RESULTS FOR 1976 ARE SHOWN BELOW:-

Table with 2 columns: 1976 and 1975. Rows include Premium Income, Underwriting Transfers, Net Income, Loan Stock Interest, FIT BEFORE TAXATION, FIT AFTER TAXATION, FIT ATTRIBUTABLE TO SHAREHOLDERS, FIT RETAINED, DIVIDENDS PER SHARE.

As already foreshadowed, the year's underwriting results have been seriously affected by the subsidiary claims many of which are not yet settled but for which we have paid or held £13.6m. In addition, the severe storms in early 1976 led us to losses totalling £4m in the United Kingdom, the of Europe and Canada.

While there were underlying improvements from several years of our Home business, in the Home Accident Account there was a deterioration in claims experience in some of the ity classes which again resulted in an underwriting loss.

Overseas, a satisfactory profit was produced in Australia results in Canada showed a further improvement, while a Non-Marine business was less unprofitable than in 1975, though underwriting conditions deteriorated in some territories there was an overall underwriting profit on Overseas less.

The 1974 Marine, Aviation and Transport account closed a loss but after bringing in savings in the settlement of as from earlier years it has not proved necessary to make transfer from Profit and Loss Account. The Marine Fund raised from 138.3% to 143.1% of the year's premiums.

The valuation of the main Life Fund as at 31st December resulted in an increased transfer of profits to shareholders. Investment income, which gained from higher interest rates and exchange appreciation as well as from the proceeds of rights issue in June 1975, rose by 33.8%.

The Directors intend to declare at the Annual General Meeting on 18th May, 1977 a final dividend of 9.245p per share, to be paid on 8th July next.

Table with 2 columns: Dividend and Tax Credit. Rows include Interim, Final, Total.

This distribution compares with a gross equivalent dividend of 5.238p per share for 1975 and is the maximum allowed by current legislation.

If the rate of tax credit becomes 33.75ths, it is the intention of the Directors to pass the benefit to the shareholders by way of a deferred final dividend for the year of 0.284p per share in order to maintain the equivalent gross amount.

Full Accounts and the Chairman's Statement will be posted to shareholders on the 22nd April, 1977.

Handwritten signature in Arabic script.

Boulton

Interim Results

- Increased Home and Export Sales
- Increased Pre-Tax Profits

Comparative Figures	6 months to	
	Dec. 1976	Dec. 1975
Turnover	£400	£000
Profit before Tax	495	452
Interim Dividend	0.5 p	0.5 p

The William Boulton Group Limited
Burslem - Stoke-on-Trent - England

Little change at J. Compton

UNIFORM and clothing manufacturers J. Compton Sons and Webb (Holdings) announces a taxable profit of £2.33m. for 1976 compared with £2.23m. for the previous 12 months. The advance represents the lack of a contribution pension fund which took £150,000 last time.

At the midway stage profits were up from £0.9m. to £1.1m.

Yearly earnings per 20p share rose from 5.78p to 6.54p and the final dividend is 2.2775p net for a 1.891p (1.3325p) total.

	1976	1975
Turnover	19,150	18,750
To pension fund	150	150
Write off	15	15
Pre-tax profit	2,330	2,230
Tax	1,180	1,220
To insurance reserve	100	50
Attributable	1,150	910

* For standby generators.

Yorkshire Spinners

Woolen spinning has once again been the main contributor to the 1976 upsurge in pre-tax profit from £0.74m. to £1.89m. at Yorkshire Fine Woolen Spinners.

And another principal area of expansion has been in exports where turnover has more than doubled to the past 12 months, (£5.88m.) and the dividend total is £3.08m. (£2.55m.).

They also report that the current year has started with satisfactory profits and a full order book.

For the first half of 1976 profit was £1,145,887, against £1,114,948. Year-end tax took £39,811, compared with £40,378.

Stated earnings per 20p share are 6.54p (2.19p) and the dividend is 2.0445p net, compared with 1.5015p last time.

Hiltons better second half

FOR THE year ending January 28, 1977, Hiltons Footwear reports an advance in pre-tax profits from £514,687 to £783,207, on turnover ahead from £6.72m. to £7.98m.

At midway when profits were unchanged at £220,000 the directors said they expected the second half year to show a material improvement on the corresponding period.

Tax for the year takes £430,643 against £272,973. Earnings per 20p share are given at 8.89p (5.88p) and the dividend total is stepped up from 3.8518p to 4.347p with a final payment of 3.182p.

MINING NEWS

A good first-half for Gold Fields

BY KENNETH MARSTON, MINING EDITOR

HALF-YEAR earnings of Consolidated Gold Fields have advanced to £11.9m. from only £11.8m. in the same period of the previous year to last June, the respective per share figures being 9.8p and 9.1p. The total for the full year per share was £22.5m., or 18.8p.

The latest figures have to be read in the light of an abnormally high tax charge in the first half of £2.1m. (£2.2m.) compared with £1.1m. (£1.2m.) in 1975.

The weakening of the Canadian dollar. But the directors warn that profits will continue to be eroded by the mining division, "unless the selling price of copper increases."

Sherritt, which is 40 per cent owned by Newmont Mining of the U.S., had an average return on total assets last year of 2 per cent, and made net profits of \$24.3m. (£2.2m.) compared with \$11.9m. in 1975.

AFON'S COPPER PROJECT IN BC

The biggest new mining project on virgin territory in Canada outside Sudbury, Ontario, is being undertaken in southern British Columbia by Afon Mines, which is part of the Teck Corporation group. When completed the development, costing \$350m. (£44.3m.) will comprise an open cast copper mine, a 7,000 tons per day concentrator, and a 60m. lbs a year blister smelter.

The latest figures from Afon show that \$20m. has been spent by the end of January and that a further \$17.5m. had been committed. The blister copper will be shipped under long-term contracts to the U.K. firms, Delta Metal and BICC.

Reserves at the mine are put at 36m. tons with an average grade of 1 per cent copper. There are minor veins of gold and silver.

It is planned to use open-pit methods for the first 34 years of the mine's life, after which there would be conversion to an underground operation.

NIPPON EXPECTS DOUBLED PROFIT

The Japanese group, Nippon Mining, whose activities include smelters in Japan and resource developments as far afield as Chile, Peru, Zaire and Saudi Arabia, expects its net earnings for the year to March 31 to be ¥3.5bn. (£7.5m.) against ¥1.75bn. in 1975-76.

Performance is better than the group expected, and this is attributed to a decline in crude oil costs as a result of the appreciation of the yen, the rationalisation of electrolytic copper production and the August resumption of operations at an oil de-sulphurisation plant.

Nippon is awaiting official approval to float a ¥15m. (£3.7m.) Eurobond loan next month.

HAMPTON AREAS

Royalty receipts of Hampton Areas which are obtained from the company's nickel mining

ground being worked by Western Mining have advanced to \$41.5m. (£30.8m.) in the year to March 31 from \$41.5m. in 1975-76.

Hampton Areas also states in its fourth-quarter report that plans are in hand to test North Sea well 211/27-1 in May. The location for a further well on this block, in which the company has a 5 per cent interest, will be chosen in the light of the results of the test and of the outcome of the West Hutton field.

The company is a member of a consortium which has been conditionally awarded North Sea block 20/7 in the fifth round licensing, announced on February 9. Subject to agreement with the BNOG a well is anticipated for 1978 and the company's party has a 4.9 per cent interest in the well.

Hampton Areas were 84p yesterday.

MATTAGAMI: NO QUEBEC FEARS

Metal mining groups in Quebec do not appear to fear that the provincial Government will attempt to intervene in the industry as it has done with asbestos. This is the impression left by the annual report of Mattagami Lake Mines, which started gold, silver, copper and zinc mining in the province 14 years ago.

Recently the Mattagami president, Mr. John Hall, said, "Opinions voiced by the members of the (Quebec) Government point to no early changes in policy towards base metal mines, copper smelters, refineries, and zinc reduction plants."

Mattagami's operations in the province "maintain high standards in production and technology and French is well established as the working language," the annual report declares.

But, in what may be read as a message to the Quebec Government, Mr. Hall states, "The remaining mineralised reserves of Mattagami mine have a predictable life of some 10 years under favourable economic and political conditions."

Mattagami is part of the Noranda group and its consolidated net income last year was \$15m. (£3.3m.) compared with \$24.4m. in 1975.

MINING BRIEFS

EX-LAUNE BICENTA—The annual production for March 24 tonnes (February, 26 tonnes).

SANIT PIRAM—Production of tin concentrates for March: United Kingdom (100 tonnes) and 225 tonnes (78 per cent) in the same period of 1975 year. Malaysia 21 tonnes (February 27 tonnes).

Saint Piran Cornish tin

A RECORD tin concentration of 255 tonnes was achieved in March by Saint Piran's Cornish tin mines. Their total for the month to March 31 was 2,206 tonnes which, with smaller contributions in Malaysia operations, in the group total for the period of 2,583 tonnes against 2,206 tonnes in the same months last year. The tin content of the concentrate is 3.888 tonnes against 3.888 tonnes in the same months last year. The tin content of the concentrate is 3.888 tonnes against 3.888 tonnes in the same months last year.

BH SOUTH S AWAITS UPPI

The Australian phosphate mining group, South, which also has the able investment interest passing its interim dividend payments to shareholders since 1974.

The upturn anticipated group last November, although it was dated operating loss to \$4.45m. (£2.7m.), with \$4.4m. in the profit of the 1975-76 year.

BH South said that it was close to breaking the whole of the group's latest interim dividend activities (investments) in the second half of the first half, when they first against \$258,000 in the first half.

Benefits were sharply end-November devalued Australian dollar, but Cobarr, the copper-producing subsidiary, were sharply interest payments for phosphate were, however, increased and group that \$43.6m. compared with \$43.6m. in the same period of 1975 year. BH South yesterday.

Half-Yearly Statement

Gold Fields

The unaudited results of the Group for the half-year ended 31 December 1976 are shown below together with the corresponding figures for the half-year to 31 December 1975 and those for the whole year to 30 June 1976.

	Half-year to 31.12.76 £'000	Half-year to 31.12.75 £'000	Whole year to 30.6.76 £'000
Net revenue of:			
Construction materials companies	8,743	5,893	13,199
Industrial and commercial companies	6,894	4,650	11,656
Mining companies	3,414	(302)	4,784
Dividends on investments	7,819	7,470	15,392
Profit on realisation of investments, less unrealised depreciation	2,367	2,717	6,854
Fees and sundry revenue	4,779	4,642	9,219
Administration, technical and general expenses	34,016	25,070	61,084
Interest on loan capital	4,412	4,253	8,395
Exceptional amounts written off in respect of mining subsidiaries	6,088	4,882	10,223
Exploration expenditures written off	2,415	1,844	4,260
	21,101	14,091	33,840
Share of profit of associated companies	5,195	5,043	10,772
Profit before taxation	26,296	19,134	44,612
Estimated taxation:			
Group	12,228	11,870	15,212
Associated companies	642	550	768
Net Profit	13,426	6,714	28,632
Attributable to outside shareholders	1,553	(391)	6,108
Net profit attributable to the Shareholders of Consolidated Gold Fields Limited	11,873	7,105	22,524
Earnings per share (based on the average issued Ordinary share capital)	9.90p	5.91p	18.76p

Group Profit

Group profit before taxation amounted to £26,296,000, an increase of £7,162,000 compared with the corresponding period in the previous year.

Net revenue of the construction materials companies at £8,743,000 was higher by £2,850,000 due mainly to improved earnings from Amey Roadstone Corporation's construction and general haulage operations. Despite the continuing reduction in demand for their products, Amey's aggregate operations showed slightly improved profits.

Industrial and commercial companies' net revenue rose by £2,244,000 to £6,894,000. Earnings by Axzon Corporation were higher as a result of the acquisition of the Hyman-Michaels scrap metals business in July and improved performances by the steel distribution divisions. In the United Kingdom, Alumax achieved a substantial increase in both turnover and profit.

The mining companies' operations resulted in a profit of £5,414,000 reflecting a favourable swing of approximately £3.7 million when compared with the same period in the previous year. In the Australian group, there were significant increases in the profits of Renison and Bellambi. Renison benefited mainly from higher tin prices whilst Bellambi's recovery was attributable to increased production. Associated Minerals Consolidated and Western Titanium were adversely affected by increased costs and a sharp reduction in zircon prices. Despite the Australian dollar devaluation in November, the Group's copper mines, Mount Lyell and Gumpowder, continued to be unprofitable. The Wheel Jane mine in Cornwall experienced a strike in the early part of the year, but the improvement in the tin price resulted in a substantial reduction in the operating loss.

Despite a general reduction in the level of actual distributions by the South African gold mines, the Group's dividend income rose marginally to £7,819,000. This was due partly to exchange rate movements and partly to an increase in the amount of underlying South African taxation included in the grossed-up income.

Profit on realisation of investments was slightly lower at £2,367,000, after charging £6,385,000 (last year £4,332,000) in respect of unrealised depreciation. The heavier depreciation charge included approximately £4 million in respect of the Group's investment in the developing Deelkraal gold mine.

The Group's share of profit of the associated companies amounted to £5,195,000, of which £4,398,000 related to its 49 per cent interest in Gold Fields of South Africa. The latter's earnings were adversely affected by lower investment income but, due to the exchange rate movement together with improved results in other associated companies, the Group's income from this source showed a marginal increase.

The total taxation charge, at £11,870,000, absorbed a lower proportion of the profit than that for the corresponding period in 1975 which was exceptionally high.

Interim Dividend

The Directors have declared an interim dividend of 2.9015p per share (representing an increase of 10 per cent over that for last year) payable on 31 May 1977 to holders of Ordinary shares registered in the books of the Company at the close of business on 29 April 1977 and to holders of Coupon No. 120 detached from Ordinary share warrants to bearer.

Dividend Warrants will be posted to registered shareholders on 30 May 1977.

Shareholders on the Johannesburg Branch Register of the Company will be paid from the Company's office at 75 Fox Street, Johannesburg, in South African currency at the London foreign exchange market spot selling rate for Rand at the close of business on 29 April 1977, or if no dealings in Rand are transacted on that date, at the close of business on the day next following on which dealings in Rand are transacted.

Holders of Ordinary share warrants to bearer are notified that Coupon No. 120 will be paid:

- in London at Midland Bank Limited, New Issue Department, Mariner House, Peppys Street, London, EC3N 4DA
 - or in Paris at Loyds Bank International (France) Limited, 43 Boulevard des Capucines, 75061 Paris, Cedex 02, France
 - or in Zurich at Union Bank of Switzerland, 8021 Zurich, 45 Bahnhofstrasse
- on 31 May 1977 or at the expiration of six clear days after lodgment thereof, whichever is the later.

Outlook

Whilst there has been a significant improvement in metal prices in recent months, considerable uncertainties remain. Nevertheless, the indications are that the earnings of the Group for the year may be better than those for last year and it is the Directors' present intention to recommend a further increase in the final dividend.

49 Moorgate, London, EC2R 6BQ

By Order of the Board,
J. R. STEWARDSON

6 April 1977

Secretary

SHERRITT SEES SOME HOPE

Gloomy after reporting the worst earnings last year since 1967, the Canadian copper-nickel group, Sherritt Gordon Mines, is very cautious about prospects for this year. The directors see some softening in fertilizer prices but "indications of encouragement in the metal business."

"There are continuing signs of slow but steady improvement in the U.S. economy which should lead to increased capital spending commitments when general business confidence grows," the Sherritt directors state.

They expect some improvement in metal prices during the second half of the year and predict an increase in export revenue from

Peak £1.5m. by Pitney Bowes

AN INCREASE of 67 per cent in pre-tax profit, from £0.93m. to a record £1.56m., is reported by Pitney Bowes, the largest U.K. mailing equipment manufacturer and exporters, for 1976. Turnover was also a record, up 25 per cent to £16.43m.

Mr. T. J. Gilligan, the chairman, says that U.K. business was strong, with a notable acceleration in the fourth quarter.

Exports increased 26 per cent to £6.4m., accounting for 39 per cent of total sales, it is stated. Exports to Europe and North America accounted for 50 per cent and 32 per cent of total foreign sales, members are told. Subsidiaries in Finland and Sweden had profitable trading years.

The company is a subsidiary of Pitney Bowes, Inc. of the U.S.

	1976	1975
Pre-tax profit	1,560,000	930,000
Profit after tax	1,200,000	720,000
Loan stock int.	185,000	100,000
Amortisation	1,200,000	1,000,000
Carried forward	1,345,000	1,230,000

Manchester Garages to expand

Although profits of Manchester Garages in the first two months of 1977 are above the 1976 level, Mr. R. A. Standley, chairman, warns that trading in the rest of the year may prove to be more difficult. However he feels that the group should be well equipped to deal with marketing problems which may occur in the short term.

In longer term the chairman is confident that given the economic recovery to be expected from North Sea oil, and the reduction of such in consumer spending, we should have an excellent future profit potential.

The directors feel that an active expansion programme is required to ensure franchise holdings preferably within the Ford family; but the size of the dealership would need to be substantial and with strong agency and when completed it will be one of the major Ford truck centres in the U.K. representing an investment of over £1m.

Meeting of the company — in which Messrs. Standley and 30 per cent shareholders at Manchester April 26 at noon.

PHOENIX ASSURANCE COMPANY LIMITED

PRELIMINARY PROFIT STATEMENT

The following are the preliminary results of the Phoenix group of companies for the year ended 31st December 1976, subject to audit, together with the audited results for the year 1975.

	1976 £m.	1975 £m.
PREMIUM INCOME		
General	323.4	245.5
Long-term	50.8	42.8
	374.2	288.3
PROFIT AND LOSS ACCOUNT		
Investment income	32.2	24.3
Underwriting results:		
General	-9.4	-7.3
Long-term	1.8	1.7
	24.6	18.7
Less expenses not charged to other accounts	0.1	0.5
PROFIT BEFORE TAXATION	24.5	18.2
Less: Taxation	9.6	5.1
Minority interests	2.3	2.0
NET PROFIT	12.6	11.1
Dividends	6.4	4.9
Net profit retained	7.2	6.2
Earnings per share	21.5p	20.8p

The geographical distribution of the general business is as follows:

	Premiums written		Underwriting balance	
	1976 £m.	1975 £m.	1976 £m.	1975 £m.
United Kingdom and Ireland:				
Home fire and accident	90.2	76.1	-1.4	-0.7
Rainurance subsidiaries	16.8	8.3	-0.6	0.2
Merina - UK companies	21.9	20.6	-0.2	-0.2
Aviation - UK companies	5.7	4.0	-0.2	-0.2
Europe	134.6	109.0	-2.5	-0.2
United States	51.0	32.7	-5.8	0.3
Canada	70.2	50.3	-1.2	-1.2
Elsewhere	24.7	17.7	-0.3	-0.3
	42.9	35.8	-1.2	-1.2
	323.4	245.5	-9.4	-9.4

UNDERWRITING

In the United Kingdom the property account made a loss after providing £1.7 million for liability insurance an underwriting loss.

The improvement in the group's Canadian business has continued. In Australia the loss has been substantially reduced. With the exception of Denmark, results in Europe were disappointing.

The United States made an increased loss by comparison with the previous year but the fourth quarter's results were more encouraging. The operating ratios for the USA on the statistical basis are:

	1976	1975
Claims as percentage of earned premiums	79.8	77.8
Expenses as percentage of written premiums	27.4	28.3
	107.2	106.1

Overseas currency transactions have been converted in the main at rates of exchange ruling on 31st December 1976. Business written through subsidiaries in the United States has been included at the rate of \$1.70 (1975 \$2.02) to the pound.

DIVIDEND

The directors recommend a final dividend of 5.1675p (1975 4.6975p) per share to be paid to members on the register at the close of business on 27th May 1977. This represents the maximum increase permitted. The date of payment will be 1st July 1977 at the cost £3.0 million.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Thursday 28th May 1977 at 12 noon. The annual report for 1976 will be issued on 3rd May.

Consolidated Gold Fields Limited

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Second half upsurge boosts BPC to £4.76m.

A SECOND HALF UPSURGE in pre-tax profit from £1.5m. to £4.76m. boosted the British Printing Corporation from 2.52p to 4.76p for 1976. Mr. Peter Robinson, the chairman, says that the company's performance was "exceptionally good" and that the second half of the year was particularly strong. He also notes that the company's earnings are now on a par with those of other major printing companies in the industry.

Mr. Robinson adds that there are now signs of an improvement in the printing industry, and that the company's earnings are expected to continue to rise in the second half of 1977. He also notes that the company's earnings are now on a par with those of other major printing companies in the industry.

Shareholders of British Printing can thank the more than doubled overseas profits (boosted by favourable currency movements) for their maintained final dividend which was in fact at the level of 4.76p. The company's earnings were up 100 per cent on the previous year, and the dividend was up 100 per cent on the previous year. The company's earnings were up 100 per cent on the previous year, and the dividend was up 100 per cent on the previous year.

Brocks earns and pays more

THE YEAR 1976 resulted in pre-tax profits of £835,176 for Brocks Group of Companies, which compares with £582,320, which was after deducting management charges of £303,000.

The half-year profit advance was from £215,200 to £470,250. Yearly earnings are given at 5.67p (5.63p) per 10p share and the dividend total is lifted from 2.805p to 2.015p with a final of 1.748p net.

The company's interests are in electronics and security.

British Rollmakers £0.5m. setback

ON TURNOVER £2.67m. higher at £21.4m. pre-tax profit of the British Rollmakers Corporation for the 53 weeks in January 1977, was down at £1.32m. compared with £1.5m. for the year ended on December 27, 1976. At half-time, reporting an unchanged £0.71m., the directors said that no improvement could be expected in the remainder of the year but better trading conditions were expected for 1977.

Earnings are shown at 2.69p per 25p share against 2.94p, and the unchanged final dividend of 1.6875p net maintains the total at 2.52p.

Over £1.1m. for Albert Martin

AFTER A midway advance from £0.22m. to £0.41m., clothing manufacturers Albert Martin Holdings surpassed in record profits of £1.12m. before tax for 1976 compared with £0.53m.

The directors say that the current year had started well and the outlook is one of further growth in profit from increased turnover at home and abroad.

Turnover for 1976 rose by £2.02m. to £18.06m.

Prospects at Lambert Howarth

January and February, 1977 sales at Lambert Howarth Group show a substantial increase and together with the flow of orders Mr. C. L. Howarth chairman, anticipates a general improvement in the current year.

For 1976 pre-tax profit slipped from £0.51m. to £0.43m., mainly because of the pressure on margins and an unexpected increase in the volume of finished goods held in stock at the end of the year.

Meeting, Burnley Crest Hotel, April 29, noon.

£0.1m. rise for Rowan & Boden

ON TURNOVER increased from £5.27m. to £7.65m. Rowan and Boden achieved record pre-tax profits for 1976 of £406,362 against £308,187. At half-way profit was ahead by £73,000 at £210,000.

Earnings per 25p share are shown at 4.8p (3.8p), and dividend is stepped up from a single payment of 1.0725p to 1.17875p with a final of 0.67975p net.

After tax £220,416 (£130,688) net profit emerged at £157,251.

The company operates as furnishers, plastic manufacturers, floor and deck covering contractors.

Leonard Fairclough looks abroad

Mr. Oswald Davies, chairman of Leonard Fairclough, says that achievements overseas are an important asset to the long-term future of the group.

The group entered 1977 with a good work load in the U.K. In Saudi Arabia, through the group's association with the Al-Khaldi Establishment, it had now started work on the initial phase of a very substantial defence contract which the directors believe will lead to further substantial work in the future.

Already British plant and vehicles valued in excess of £5m. have been bought and are being shipped to the site. Combined with profitable and increasing activities in Kenya and Iran overseas work now forms a significant base for future development.

In the U.K. the market remains

W. Lawrence £585,000

For the six months to December 31, 1976, Walter Lawrence achieved an increase in taxable profit from £0.53m. to £0.58m. on turnover up to £1.35m. to £1.97m. Profit for 1976-76 was a best ever £1.51m.

The directors state that the building and contracting companies had again contributed the major share of profits, and that the group's order book is at a higher level than last year.

Stated earnings per 25p share are shown as 6.5p against 5.5p and there is an interim dividend of 2.25p (2p). Last year's total was 5.3p.

Internl. Combustion confident of growth

The chairman of International Combustion (Hullings), Mr. J. A. C. Talbot, says in his annual statement that, barring unforeseen circumstances, the company is publishing (where profits exceed those for 1976) and that the increased dividend distribution will at least be maintained.

The group made almost doubled pre-tax profits in 1976, £3.91m. to £7.82m. compared with £2.01m. in 1975. Dividends totalled 0.715p per share compared with 0.65p (as reported on April 1).

Mr. Talbot says that all trading units in the group (other than Nuosil) operated profitably. International Combustion Africa achieved a turnover from a loss of £0.25m. to a profit of £0.45m. Metropole Industries, which was acquired during the year, is expected to make a significant contribution to group profit in 1977.

It is proposed to consolidate every five of the existing 5p shares into one share of 25p. Liquid funds decreased during the year by £1.25m. compared with an increase of £0.11m.

Meeting, Hotel Russell, Russell Square, W.C.1, April 23 at noon.

Startrite 35% ahead half time

TAXABLE profit of Startrite Engineering group rose by 35 per cent to £136,800 in the six months to December 31, 1976 and the directors expect a continuing improvement in the second half.

Net interim dividend is lifted from 1p to 1.2p per 20p share, absorbing £18,000. Last year's total was 3.1212p and pre-tax profit £82,146.

First half tax takes £88,000 (£85,000), leaving £37,800 (£20,100). In his annual statement last October, Mr. William R. Bruce, chairman, said the directors expected interim results to be substantially better.

Now, the directors report that export markets remain firm. In general terms, there is a marked improvement on the home market.

The major extension to the group's assembly facility is now completed and operating. The directors hope to finalise the current investment programme within the next six months.

Startrite makes machinery for the wood, plastics and metalworking industries.

Turnover	1,500,000	1,200,000
Pre-tax profit	1,200,000	800,000
Tax credit	100,000	100,000
Equation reserve	40,000	30,000
Dividend	60,000	50,000
After management charges	1,000,000	700,000

Turnover	7,262,727	5,806,077
Profit before taxation	1,316,940	1,057,195
Extraordinary items	Nil	34,200
	1,316,940	1,091,395
Taxation	699,674	525,338
Dividends	87,774	74,538
Retained profits	1,519,064	1,326,772
Net assets	2,119,143	1,635,834
Earnings per share	30.9p	27.6p

1976	1975
£m	£m
323.4	300.0
50.8	45.0
374.2	345.0
32.2	30.0
-3.4	-3.0
1.8	1.5
2.6	2.0
0.1	0.1
24.5	20.0
9.5	8.0
2.3	2.0
12.6	10.0
5.4	4.0
7.2	6.0
31.5p	27.6p

1976	1975
£'000	£'000
EXTERNAL SALES	12,732 9,286
EXPORTS	9,187 6,260
TRADING PROFIT, after tax	2,329 619
Extraordinary	222 —
ATTRIBUTABLE TO SHAREHOLDERS	2,551 619
EARNINGS PER SHARE	17p 4.5p

PERGAMON 1976 PROFITS QUADRUPLED AT £2,551,000

"1976 has been our Company's best year to date."

ROBERT MAXWELL, Chairman

Pergamon now fully restored to its previous prosperity and dynamic growth

"Since I resumed the post of Chief Executive of Pergamon some 2 1/2 years ago, the Company, with the wholehearted support of its staff, has been able to eliminate an accumulated capital deficit that existed at the time of my resumption of office of £4,302,000 and to turn this around into a surplus of £411,000."

Outlook for the current year

"I am confident that subject to any unforeseen circumstances, the Company's profits for 1977 will be as satisfactory as they were in 1976."

ROBERT MAXWELL, Chairman

Pergamon Press Limited, Headington Hill Hall, Oxford, OX3 0BW

One of the world's leading educational, scientific, technical and medical publishing houses with offices in New York, Paris, Moscow, Buenos Aires, Toronto, Frankfurt, Sydney, Rio de Janeiro and Tokyo.

Deutsche Bank Aktiengesellschaft

(Incorporated in the Federal Republic of Germany with limited liability)

We are convening our Ordinary General Meeting this year on Wednesday, 11th May, 1977, 10.00 a.m. at the Liederhalle, Beethovensaal, Berliner Platz 1, Stuttgart.

Agenda

- Presentation of the established Statement of Accounts and the Reports of the Board of Managing Directors and Supervisory Board for the 1976 financial year.
- Resolution on the appropriation of profits.
- Ratification of the acts of management of the Board of Managing Directors for the 1976 financial year.
- Ratification of the acts of management of the Supervisory Board for the 1976 financial year.
- Election of the auditor for the 1977 financial year.
- Bond issue with Subscription Rights and Conditional Share Capital.

Shareholders entitled to participate in the General Meeting and to exercise their right to vote are those who have deposited their shares during normal office hours and in the prescribed form at a depositary bank until the end of the General Meeting. Depositary banks are those specified in the Bundesanzeiger of the German Federal Republic No. 65 of 2nd April, 1977.

Depositary banks in the United Kingdom are: Deutsche Bank AG, London Branch, 10, Moorgate, London, EC2P 2AT.

Midland Bank Limited, International Division, Securities Department, Suffolk House, Laurence Pountney Hill, London, E.C.4.

Shares shall only be deemed deposited if they are lodged by 4th May, 1977, at the latest, with either of the aforementioned depositary banks or any other authorised depositaries in the United Kingdom. In the United Kingdom entrance cards or forms of proxy will be issued by the aforementioned offices of Deutsche Bank AG or Midland Bank Limited to whom reference should be made.

With regard to the exercise of the voting right we would like to draw attention to § 18 (1) of our Articles of Association:

"The voting right of each share corresponds to its nominal amount. If a shareholder owns shares in a total nominal amount exceeding 5% of the share capital, his voting rights are restricted to the number of votes carried by shares with a total nominal amount of 5% of the share capital. Shares held for account of a shareholder by a third person shall be added to the shares owned by such shareholder. If an enterprise is a shareholder, the shares owned by it shall include any shares which are held by another enterprise controlling, controlled by or affiliated within a group with such enterprise, or which are held by a third person for account of such enterprises."

The share of 5% of the share capital mentioned in § 18 (1) corresponds currently to a nominal amount of DM45,000.000 = 900,000 shares of DM50 per value.

Frankfurt (Main), 4th April, 1977.

The Board of Managing Directors.

INTERNATIONAL COMPANY NEWS

DUTCH BANKING

ABN ponders an increase in capital

BY MICHAEL VAN OS

THE BOARD of Algemene Bank Nederland (ABN), Holland's largest commercial bank, expects to decide shortly whether and how to reinforce its capital base to maintain what it describes as its "excellent" solvency position...

26 per cent. If foreign business effected through Dutch home base offices was included, the profit contribution rose to about 40 per cent. The ABN chairman said that the bank's major asset compared with other Dutch banks—the extensive office network abroad—would continue to be expanded this year...

At a press briefing on the publication of the report, PHP chairman Mr. Allard Jiskoot said that the first few months of this year had shown a recovery in results for home earnings. Interest margins were expected to improve further and in merchant banking had been very favourable. The rest of the year was regarded with "cautious confidence."

AMSTERDAM, April 6. NBB planning issue to raise Fls.15.5m. NEDERLANDSCHE Middenstandsbank (NMB), the major Dutch bank in which the State has a substantial minority interest, is planning to issue ordinary shares with a 1 to 10 ratio of priority of allotments for existing shareholders...

Hong Kong exchanges to rule on merger

By Daniel Nelson. HONG KONG, April 6. THE COMMITTEES of two of Hong Kong's four stock exchanges, The Far East Exchange and The Hong Kong Stock Exchange, have agreed that a merger may be possible. A Hong Kong Stock Exchange announcement said that a meeting of members will be called "later" to decide the issue.

Kemanord to reverse downward trend

By William Dullforce. STOCKHOLM, April 6. KEMANORD, the Swedish chemicals concern which made an abortive takeover bid for the larger Swedish match group at the end of last year, expects to reverse the downward profit trend of the last two years in 1977.

Profits moving higher, reports Metall MG

BY GUY HAWTIN. METALLGSELLSCHAFT (MG), the Frankfurt-based metals, engineering and transport concern, is expecting higher operating profits in 1977 than in 1976. For 1975-76, the concern's management is proposing an unchanged 10 per cent dividend despite a further fall in net profits.

Performance in the first five months of the current business year was better than that recorded in the period of the previous 12 months. But it was somewhat under the average for the second half of 1975-76. No forecasts of a 1976-77 dividend were given.

FRANKFURT, April 6. "Substantially" better than the previous business year. Operating profits had risen, mainly as a result of a considerable improvement in the second half of the year, sufficient to cover extraordinary costs and strengthen the concern's internal resources.

Australian Companies

MYER EMPORIUM, Australia's largest department store retailer, managed to lift profit only 7.7 per cent, from SA24.2m. to SA26.1m. in the 12 months to January 1. Group sales rose 5.3 per cent, from SA509m. to SA537m. indicating that Christmas spending was not as buoyant as commonly believed.

Myer disappoints with \$26m.

BY JAMES FORTH. SYDNEY, April 6. SA7.5m. earned in 1974 but still well below the record result of SA12.5m. in 1973. The directors of Lysaght, which is owned equally by Broken Hill Proprietary and Guest Keen and Nettlefold of the U.K., attributed the recovery to a 19.8 per cent. increase in sales of steel sheet and coil.

ALCAN AUSTRALIA to make one-for-four rights issue to help finance its previously reported expansion programme, reports Reuter from Sydney. The company is owned 70 per cent. by Alcan Aluminium and 30 per cent. by a number of Australian institutions.

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BRAZILIAN INVESTMENTS S.A. Net Asset Value per Depository Share as of 31st March 1977 U.S.\$95.04 Listed: The London Stock Exchange

Kiwi Int. hopes for record year KIWI INTERNATIONAL, household products group, is expecting a record profit for 1976-77 following a 24 per cent. increase in

Outlook for Metals The 2nd Quarterly Review of LME Non-Ferrous Metals by Commodity Analysis is now available. It contains some interesting conclusions: you should read it. For a copy ring 01-283 4801 or write to Ian Mackinnon. COMMODITY ANALYSIS LIMITED Commodity and Metal Brokers 194-200 Bishopsgate, London EC2M 4PE 01-283 2201 Dealers: 01-283 4801

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS Table with columns for Bond Name, Bid, Offer, and Source.

MITSUI PETROCHEMICAL INDUSTRIES, LTD. U.S. \$25,000,000 3 PER CENT. GUARANTEED NOTES DUE 1984. Includes logos and list of agents.

The Republic of the Philippines Kuwaiti Dinars 5,000,000 9 per cent. Notes due 1983. Issue Price 99 1/2 par cent. The following have agreed to subscribe or procure subscribers for the Notes: Kuwait International Investment Co. s.a.k. Merrill Lynch International & Co. Arab Malaysian Development Bank Bancom International Libyan Arab Foreign Bank Manufacturers Hanover Limited

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BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Finance for Growing Companies. If you are a shareholder in an established and growing company...

GRESHAM TRUST LIMITED. Offers a wide range of banking services, including: Selective finance for property development...

ARTICULATED BOX VAN FLEET. Modern with clean traffic, long established, excellent conditions.

A SUBSTANTIAL PRIVATE ELECTRONICS COMPANY. is looking for expansion opportunities within the electronics manufacturing and distributing trades.

SPANISH CORPORATION (Hotel company, Gran Canaria) with German majority ownership and management.

DISTRIBUTORS AGENTS. owning Warehouses in Turkey and Turkish Cyprus, with agencies throughout the Middle East.

CROWDSTOPPER! Roll-up and develop the sales pitch door to door with your own labor made mobile exhibition...

RETAILERS. Wholesale and retail of home furnishings, electrical goods, toys, books, records, etc.

8 AGENTS REQUIRED. London north and south of Thames East and West Midlands...

YOUR OFFICE IN REGENT STREET. 24-hour telephone answering, luxury furnished private offices...

SOLAR HEATING. We are specialist, specialist Distributors and installers of solar heating systems...

Many companies are becoming involved, directly or indirectly in large scale developments in Saudi Arabia.

CANTERBURY APPEAL. We have a team of skilled hydraulic and mechanical equipment fitters.

DUTY FREE ENTRY TO NORTH AMERICA. LOW LABOUR COST ASSEMBLY/MANUFACTURE.

TREVOR WYNNE-JONES. is prepared to back young men with ideas who want to "get rich quick".

PRESTIGE CARS WANTED. TO ALL COMPANY DIRECTORS TRANSPORT MANAGERS AND PRIVATE CAR OWNERS.

UNUSUAL BUSINESS OPPORTUNITY. Large diversified public company is seeking to extend its investment into new products.

PRINTING COMPANY REQUIRED. with factory in London area of 15,000 to 20,000 sq. ft.

SMALL BUILDING COMPANY. required to merge with existing Company in Northern Ireland.

LIMITED COMPANY FORMED BY EXPERTS FOR 475 READY MADE 800 COMPANY SEARCHES.

GOLF: U.S. MASTERS BY BEN WRIGHT

Statistics put Weiskopf and Irwin as favourites

THE signs are that he is. For instance, as he walked off the 18th green after his practice round on Wednesday he was asked how he had scored. He said: "I guess I was in the 60s again. Maybe it was the 50s because I only played 14 holes."

Overdue. Both have since thrashed out consistently to add another major title to their names and could be said to be overdue. Weiskopf, particularly, with four second place finishes in the past seven years.

TENNIS BY JOHN BARRETT

Rohun Beven wins BP Trophy

IT WAS a good day for Rohun Beven yesterday at Queen's Club. By beating Andrew Jarrett 6-3, 6-8, 6-11 in the first of three legs of the BP Trophy Wotter Series, he earned himself £40 and also took the first prize of £50 from the bonus pool.

ENTERTAINMENT GUIDE

Opera & Ballet, Theatres, Cinemas, Art Galleries, Clubs. A comprehensive guide to entertainment events in London.

Weekly. A vertical sidebar containing various financial data, stock market information, and other news snippets.

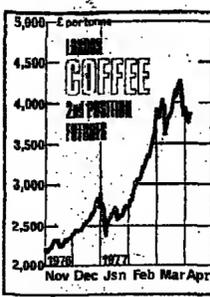
FARMING AND RAW MATERIALS

Ontario to curb trade in options

TORONTO, April 6. THE ONTARIO Government has introduced legislation to regulate the trading of commodity options in the province...

New rise in London coffee and cocoa markets

COFFEE PRICES jumped on the London Robusta futures market yesterday, following a turnaround in the New York market overnight...



U.K. switch to EEC egg grades

A NEW GRADING system for eggs was announced by the Ministry of Agriculture yesterday. It will give the housewife a wider choice from the market...

AGRICULTURE IN BRAZIL Soya farmers never had it so good

FARMERS HAVE never had it so good in Paraná and Rio Grande do Sul, the two States responsible for over four-fifths of Brazil's soyabean crop...

Table titled 'BRAZIL'S SOYA EXPORTS (in tonnes)' with columns for years 1973, 1974, 1975, 1976, and 1977. It lists Soyabeans, Meal and Pellets, and Soyabean Oil.

Wool textile demand doubts

THERE ARE a few indications of the likely wool market level for wool textile goods in the next northern hemisphere autumn/winter season...

Metals steady despite fall in copper

COPPER PRICES lost further ground on the London Metal Exchange yesterday, but ended on a steady note. Silver prices fell too, but other metals...

Metals fall but coffee rallies

COFFER closed lower on aggressive speculation to take a 7 per cent decline in the price of soyabean meal...

Table titled 'IN EXCHANGES' listing various market indices and their values.

Large export of EEC sugar authorised

BRUSSELS, April 6. THE EEC COMMISSION authorised a large export of white sugar at its weekly export tender compared with 9,350 tonnes last week...

Rubber price stabilisation pact agreed

JAKARTA, April 6. The executives committee of the Association of Natural Rubber Producing Countries has agreed to implement a price stabilisation scheme for rubber...

Rubber price stabilisation pact agreed

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Table titled 'BASE METALS' listing prices for various metals like Tin, Lead, Zinc, and Copper.

Table titled 'COMMODITY MARKET REPORTS AND PRICES' providing detailed price reports for various commodities.

Table titled 'COFFEE' listing prices for different coffee grades and origins.

Table titled 'PRICE CHANGES' showing percentage changes in various commodity prices.

Advertisement for Prescott Commodities Ltd, featuring the slogan 'Why do clients prefer Prescott?' and listing services in metals and soft commodities.

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Advertisement for Senior Commodity Traders Wanted, highlighting the firm's international reach and experienced traders.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Main table listing various unit trusts and offshore funds with columns for fund names, managers, and performance metrics.

Table titled 'LEADERS AND LAGGARDS' showing performance data for various funds, categorized by sector and manager.

Table titled 'INSURANCE, PROPERTY, BONDS' listing various insurance and investment products with their respective details.

Advertisement for 'The Army Benevolent Fund' featuring a photograph of a soldier and text describing the fund's mission.

Advertisement for 'APOLLO' magazine, described as 'The world's leading magazine of Arts and Antiques'.

Table titled 'INSURANCE BASE RATES' providing a comparison of various insurance products and their base rates.

FT SHARE INFORMATION SERVICE



BRITISH FUNDS

Table of British Funds with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

Shorts (Clives up to Five Years)

Table of Short-term investments with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

Five to Fifteen Years

Table of Medium-term investments with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

Over Fifteen Years

Table of Long-term investments with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

Undated

Table of Undated investments with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

INTERNATIONAL BANK

Table of International Bank investments with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

CORPORATION BONDS

Table of Corporation Bonds with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

AMERICANS

Table of American investments with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

CONVERSION FACTOR

Conversion factor 0.7332 (8.2666)

CANADIANS

Table of Canadian investments with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

BUILDING INDUSTRY - Continued

Table of Building Industry stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

DRAPERY AND STORES - Continued

Table of Drapery and Stores stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

ENGINEERING - Continued

Table of Engineering stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

BANKS AND BIRE PURCHASE

Table of Banks and Bire Purchase stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

ELECTRICAL AND RADIO

Table of Electrical and Radio stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

BEEFS, WINES AND SPIRITS

Table of Beefs, Wines and Spirits stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

AMERICANS

Table of American investments with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

INDUSTRIALS

Table of Industrial stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

Large table of Industrial stocks with columns for Name, High, Low, Stock, Price, Div. Yield, and % Chg.

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Relative Strength
Relative strength is the difference between a good and a bad investment. We supply relative strength charts for Britain's leading companies...



IMF seeks greater exchange rate movement

SURPLUS COUNTRIES like West Germany and Japan and deficit countries such as Britain and Italy should do more to adjust their exchange rates...

by SAMUEL BRITAN in London and DAVID BELL in Washington

encies are still regarded as undervalued.

But the IMF also believes that countries such as the U.K. and Italy need to ensure that their currencies reflect comparative international inflation rates.

Discussions on the sterling exchange rate in fact figured very prominently in IMF discussions in London at the end of last year...

Senior IMF officials believe that sterling has so far only depreciated enough to offset the disparity between British inflation rates and that of other countries...

The mission to London last year took as its basis the prevailing exchange rate...

One of the key projections showed sterling at \$1.50 by the end of the financial year 1977-78.

In fact, sterling has appreciated since the agreement with the IMF...

The Government has apparently decided to try to maintain the present rate of about \$1.72 for as long as possible...

Visit to U.K. The theory of export-led growth brought about by deliberate currency depreciation has also been condemned by a National Economic Development Office report...

Meanwhile, several executive directors have taken strong exception to the line of the Fund staff on exchange rates...

There are also executive directors who believe that the IMF is applying a wrong theory based on the experience of the Bretton Woods system...

Economic Viewpoint Page 17

Davy takes Morris with £9.3m. bid

BY KEITH LEWIS

DAVY INTERNATIONAL has stepped in with a £9.3m takeover bid to settle finally who controls Herbert Morris, the Loughborough crane manufacturer.



MR. JOHN BUCKLEY Moving into cranes

Having bought out at 27p the 32.5 per cent stake held by Babcock and Wilcox...

When the IMF interim committee meets in Washington at the end of April...

Although it started a great deal of controversy since three members of the five-member team concluded that the Babcock offer...

Talk of possible interest by third parties has remained quiet since the offer from 148p a share to 205p...

Stakes were raised still higher last week with the news that Hawker Siddeley had entered the bidding with an agreed offer of 243p cash for each share...

News Analysis Page 13

placed a value on the group of some £8.5m. Surprisingly no attempts had been made by Babcock to acquire the key 40 per cent holding still in the hands of Babcock.

The offer from Davy apparently one of the interested parties throughout but reluctant to enter an auction...

The terms of the new offer from Davy, issued by merchant bankers Lazard Brothers...

For Davy, the take-over makes a more hawk into the heavier end of the engineering market...

News Analysis Page 13

Brezhnev's health worries NATO

BY MALCOLM RUTHERFORD

THE HEALTH of Mr. Leonid Brezhnev, the 70-year-old Soviet leader, has become a topic of serious concern in Washington and other Western capitals...

Senior members of the American delegation were struck by what they took to be a deterioration in Mr. Brezhnev's physical condition during the abortive round of talks on Strategic Arms Limitation.

This impression was conveyed explicitly in a briefing to the Nato Council in Brussels on Monday.

After the meeting several Nato officials said that they now believed that the health factor would be a further obstacle to progress in the SALT negotiations.

They argued that Mr. Brezhnev no longer found it easy to absorb new proposals, especially proposals as radical as those put by President Carter.

American sources quoted a number of instances of the apparent deterioration. They said that Mr. Brezhnev had difficulty in both hearing and speaking and that he read from a prepared brief whereas on previous occasions he has tended to be more spontaneous.

It was also claimed that his stamina was running out and that he no longer appeared to be putting in a full day's work.

I must be added that there have been similar reports before. They were particularly strong in 1975, before and after the final act of the European Security Conference in Helsinki.

It is also hardly surprising that a man of 70 should show signs of ageing. He has worn a hearing aid for some time and has also tended to slur his speech.

The important factor about the latest reports, however, is that they come from such high U.S. sources and the Americans are inclined to take them seriously.

The main policy implication is said to be that the Soviet leadership may now find it difficult to take decisions and may fall back on entrenched positions rather than make new departures.

It must be pointed out, however, that the SALT negotiations have been particularly difficult. According to some NATO officials, the leadership may prove incapable of making the mental jump to deal with American proposals which call for genuine strategic arms reductions.

Anti-proliferation talks, Page 16

THE LEX COLUMN Bridging GKN's financing gap

With its extensive interests in steel—in manufacturing and in distribution—Guest Keen has been right at the sharp end of British industry's stock financing problems over the past year.

Successive price rises for steel have added up to some 38 per cent, and it looks as though, apart from currency effects, almost £100m. was absorbed in net working capital during 1976.

With capital spending running at £66m. (and scheduled to climb to £95m. in the current year) it is scarcely surprising that GKN has come back to the stock market after an interval of only two years...

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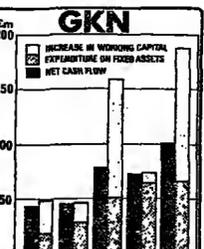
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Anti-proliferation talks, Page 16

InJex fell 2.0 to 400.5



presumably another reason why the group could not afford to let its gearing ratios climb too far. On the other hand, Sabcs would add maybe 4p a share (about a tenth) to earnings.

Three composites Guardian Royal Exchange seems certain to be the only major composite insurance company in the U.K. to report an underwriting profit for 1976—£3.8m. against £2.1m., despite U.K. subsidence costs of roughly £3m. and losses of at least that magnitude in Germany.

Over all profits are up from £49.6m. to £61.1m. pre-tax. A negligible exposure in the U.S. is one explanation for this above average underwriting performance and an accounting change to Australia (which throws up an extra £1.5m.) is another. More generally, though, GRE has an enviable record for consistency in its results.

Until last year, the same could have been said of Sun Alliance. But the group has accounted for 15 per cent of the U.K. household market with a bias towards the South East, where steel prices are likely to be more stable and partly because some of the stockholding at the new plant has already been accomplished. Assuming "satisfactory" results, net dividends will rise 25 per cent, for 1977—although if the standard rate of tax falls to 33 per cent, this could mean only a 21 per cent rise in the gross for a prospective ex-rights yield of 7.8 per cent at 312p, down 14p.

For the time being, though, it is worth asking whether GKN is being rather ambitious in its expansion plans. The completion of the Sabcs deal, after all, would require a further £55m. of European borrowing.

Phoenix Assurance is the third of yesterday's clutch of composites, and the story here is about a new broom in its U.S. where its business is pooled with the Continental, represented around 30 per cent of reserves made in respect of tangible shareholders' funds.

Meagre catches force fish prices to record level

BY JOHN EDWARDS, COMMODITIES EDITOR

SUPPLIES OF 6sh are likely to be scarce and at record price levels over the Easter holiday—traditionally a period of high demand.

This follows what is described as a "disastrous Easter week" for the British fishing industry with catches hit both by the newly imposed restrictions on distant water fishing and gale-force winds adding to the trawlers' problems.

As a result prices have soared because of the meagre catches landed at the main fishing ports. Yesterday cod and haddock fillets fetched a record £9 a stone (14 lbs) wholesale at Hull.

The C. S. Foster, which was the only trawler to bring a catch to the fish-starved port, would have virtually no fish to offer for sale in the morning.

The U.K. fishing industry is hoping for some relief as a result of the new move planned by Mr. Finn Guddelet, the EEC Commission fisheries officer, to secure renewed access for British fishermen in Icelandic waters.

However, British trawlers are being laid up as unprofitable, in spite of the record prices.

Irish bag, Page 4

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Irish bag, Page 4

Lending rate may be cut again to-day

By Michael Blanden

A FURTHER reduction in the official minimum lending rate is possible to-day, though the Bank of England yesterday repeated its signal to the money market that it would not welcome a sharp fall in rates.

The normal formula for determining MLR was re-activated last Friday. This followed the bank's decision in the official rate on Thursday to 9 per cent (from the 10 per cent at which it had previously been held by administrative action).

Rates on Treasury bills yesterday were at levels which if maintained at to-day's weekly tender would bring a cut of 1 point in MLR on the market-related formula, with a possibility that the rate could be close to the trigger point for a 1 per cent cut.

The Bank has the power to override the formula to prevent a fall in MLR as excessive, and used this technique three weeks ago. Yesterday the Bank indicated its feelings by raising the discount margin in borrow at MLR for seven days.

Continued from Page 1

Mentmore hopes hit as time limit ends

BY RICHARD EVANS, LOBBY EDITOR

LAST-MINUTE HOPES of saving Mentmore Towers, the Buckinghamshire home of Lord Rosebery, were hit last night when the time limit for private donations ran out.

The house will go on the open market. Sotheby's will auction most of the art collection from May 18 to 27. Catalogues will be posted to-day.

No decision had been taken last night by the Treasury about accepting certain paintings and furniture in lieu of estate duty, but the cost to the National Land Fund of items accepted would be substantially below £1m., the Department of the Environment said.

The Government made it clear it would put £1m. from the Fund for historic houses, provided the remainder of the £3m. came from private sources. About £1.1m. is understood to have been so raised.

In a statement from the department of the Environment last night Lord Bark the Parties said that though there was abundance of goodwill and energy, it was impossible, in the time limit set, for private sources to organise sufficient financial contribution.

The executors offered to postpone the Sotheby sale to allow more time for private funds to be raised, but their terms for

Electricity shake-up urged

By David Fishlock, Science Editor

A STRONG PLEA to the Government to implement the basic Plowden Committee proposals for reorganising the electricity supply industry for England and Wales was made yesterday by Mr. Frank Tombs, newly appointed chairman of the Electricity Council.

Mr. Tombs, speaking at the annual delegate conference of the Electrical Power Engineers' Association in York, said he could not urge too strongly the "need for some real progress to be made in an atmosphere which seems to me uniquely favourable to change."

New appointments were needed to allow a break with well-established traditions of independence and "to substitute in their place genuine industry outlook."

There was room for difference of opinion over the specific recommendations of the Plowden Report, published in December 1972.

He believed that they were "too centrist in character and too specific in organisational detail."

But they pointed the way to a sensible organisation in which strategic matters could be decided on an industry-wide basis, and made the valuable proposal that any reorganisation include the potential for subsequent change without need of a new Act of Parliament.

He believed that too much centralisation should be resisted. Labour News, Page 13

Continued from Page 1 Heathrow engineers

polymaking national committee.

There is an important similarity between the toolroom strike, the Heathrow engineers' claim for improved shift allowance, and the electricians' strike which has shut the Port of London, in that all involve skilled men dissatisfied with their relative pay position.

In the Lewland case the Heathrow engineers, despite a warning that they would lose their jobs unless they resumed normal working by midnight on Tuesday, refused to do so.

It says that the purely because of the administrative effort involved in considering the

position of each man. Officials say the notices will go out to-day.

Yesterday's developments began when Mr. Reg Birch, AUEW executive member, met shop stewards to deliver an executive instruction to call off their sanctions. The engineers refuse to work late or week-end shifts until they get an increase of one-third in shift allowances.

After 30 minutes, shop stewards left the meeting, saying that there had been "no change". It had been expected that Mr. Birch would appeal for a return to work at a mass meeting of the engineering workers, but this did not happen. It is possible that the shop stewards will call a meeting to-day.

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Weather section containing UK TODAY, BRIGHT intervals, Wintery showers, and BUSINESS CENTRES with a table of exchange rates for various cities.

